FBIS DAILY REPORT

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'ARAFAT RECEIVES LETTER FROM SOVIET LEADERS

JN171603Y Voice of Palestine [Clandestine] in Arabic to Arab World 1500 GMT 17 Jan 78 JN

[Text] Brother leader Abu 'Ammar yesterday met with Comrade Aleksandr Soldatov, Soviet ambassador to Lebanon. It has been learned that during the meeting talks were held on a number of topics related to the latest developments of the current situation in the Middle East region. Comrade Soldatov handed brother leader Abu 'Ammar an important letter from the Soviet leader . Brother Abu 'Ammar also received the Saudi ambassador to Lebanon yesterday and had talks with him on the current situation in the Arab region.

ABU IYAD WARNS OF NEW ISRAELI AGGRESSION

NC170955Y Doha QNA in Arabic 0815 GMT 17 Jan 78 NC

[Text] Doha, 17 January--Salah Khalaf, alias Abu Iyad, the second man in Fatah, has warned that the Arab area will witness serious developments in the coming days and that Israel is preparing to launch an attack on the Lebanese and Syrian fronts in an attempt to circumvent what he termed as the steadfastness front states rejection of the current moves in the area. In an exclusive statement to the Qatari newspaper AL-'ARAB, published in today's edition, Abu Iyad says that the aim of the expected Israeli aggression is to occupy new Arab territory, which this time could be in southern Lebanon, in an attempt to obtain new Arab concessions and entrench the presence of Israeli settlements in Sinai.

Referring to Israel's refusal to remove its settlements from Sinai, Salah Khalaf says that the bargaining over these settlements confirms the fact that Israel is proceeding with its aggressive plans against the Arab nation. In his statement Abu Iyad denounces the U.S. position regarding the Palestinian issue. He says that talk about a temporary solution to the Palestinian issue means that they want to obliterate the struggling image of the Palestinian people, circumvent the Rabat summit resolutions and create a feeble entity in the West Bank that will constitute an extension of the Israeli occupation.

Referring to Algerian President Houari Boumediene's recent tour of several Arab states and a number of Eastern bloc states, Abu Iyad says that President Boumediene's talks and moves were on behalf of the steadfastness front states, including the PLO, and that his tour has been successful.

Quoting sources described as reliably informed, the paper says that the Soviet Union has affirmed to President Boumediene that any attack against Syria and the Palestinians in southern Lebanon will be met with a Soviet stand not seen before by the area and the world and that the Soviet Union has addressed a warning to Israel, through Washington, against committing an aggression against Syria and southern Lebanon. These sources asserted that Yugoslavia will be at the head of an international political move to bring about the establishment of a Palestinian state and the complete withdrawal of the Israeli forces from the occupied Arab territories.

The newspaper AL-'ARAB cites the sources as having said that the Soviets have informed Syrian President al-Asad that all the weapons Syria and the PLO will request will be ready for delivery within a few hours.

PLO PAPER SEES U.S. RESCUE OF JERUSALEM TALKS

JN171825Y Voice of Palestine [Clandestine] in Arabic to Arab World 1500 GMT 17 Jan 78 JN

[Text] Under the headline "Two Resignations Face Vance," the PLO central paper FILASTIN ATH-THAWRAH writes: Cyrus Vance's rescue operation of the meetings of the Egyptian-Israeli Political Committee is almost like saving a dying person, as the French paper LE PARISIEN said.

This committee begins its meetings in occupied Jerusalem today in the atmosphere of pessimism and failure which dominated the meetings of the Military Committee and which is clearly reflected in As-Sadat's statements to OCTOBER magazine. If the American Rescue operation came quickly to enable the Political Committee to convene, it certainly was not done so that results could be achieved which might force Israel to withdraw from the occupied territories, recognize the legitimate rights of the Palestinian people and pleace President as-Sadat, who submitted his resignation--as reported by news agencies--to the National Security Council and then took it back at the America's request.

What Israel and its prime minister, Begin, in particular can offer to As-Sadat is not, as As-Sadat thinks, up to the standard of his big step of visiting occupied Jerusalem and inviting Begin to Egypt. What REUTER has reported about Begin's statements to a U.S. delegation last night affirms that the U.S. rescue operation will not save what is dying from certain death. Begin told the U.S. delegation that he would rather resign than hand the Israeli settlements in Sinai over to Egypt. He added that any Israeli prime minister who offers giving up the settlements in northeast Sinai indicates that he is giving up his post.

It makes no difference whether these statements came before or after the U.S. rescue operation. They define the Israeli viewpoint very clearly. It is a viewpoint which completely oppose As-Sadat's statements to OCTOBER magazine and which rejects the mere idea of discussing the Jewish settlements in Sinai. In his remarks As-Sadat spoke of total Egyptian sovereignty over all of Sinai and then went beyond this to talk about Palestinian rights and the right of the Palestinian people to self-determination.

Now we have two resignations: Menahem Begin's, if he is forced to withdraw from the Sinai settlements, and As-Sadat's if Egyptian sovereignty is not established over all of Sinai, including the Jewish settlements. As-Sadat's resignation will presumably precede that of Begin because Begin's refusal to withdraw means the failure of As-Sadat's initiative (?and) As-Sadat has linked his resignation to it. Resignation will not be imposed on Begin except in one case, namely, if he is forced to withdraw from Sinai. This will not occur under U.S. pressure or for the purpose of saving As-Sadat's initiative. This will take place when As-Sadat relinquishes his initiative and resorts to the force of his people and the Arab peoples, who have demonstrated to As-Sadat from the first day of his initiative how he and his acrobatic initiative will end.

The disagreement over the settlements has led Begin and As-Sadat to threaten to resign. The same applies to the situation of the Palestinian issue. The mere mention of the name of Palestine is rejected by the Israelis, but As-Sadat is still talking about Palestinian self-determination despite going back on his talk about an independent Palestinian state. As-Sadat and Begin realize the complications of the Palestinian issue. Therefore, they have both decided to aggravate their disagreements regarding the Sinai settlements, so as to avoid the solid wall at the beginning of the road, the wall which [words indistinct] the resignation of one or both of them. However, resignation will definitely be the lot of the weaker one.

LIBYAN OFFICIAL ADDRESSES TRIPOLI OIL CONFERENCE

LD170018Y Tripoli Voice of the Arab Homeland in Arabic 2115 GMT 16 Jan 78 LD

[Text] This evening Petroleum Secretary 'Izz ad-Din al-Mabruk opened the 10th Arab oil conference in the People's Hall, Tripoli. Al-Mabruk as chairman of the conference delivered an address welcoming the delegates and saying that the conference will help to strengthen the Arab oil industry and that the studies which have been prepared for discussion at this conference will bolster and develop the industry in the Arab homeland.

He added that the Jamahiriyah's effective role against imperialist monopoly of Arab wealth was a positive start which triggered people's demands for economic independence and rejection of the monopoly of their resources by foreign companies. The chairman of the conference continued: We must move from the field of research to that of sound scientific application so that the Arab nation controls its resources for serving its economies. He said: I am confident of the success of the Arab nation to gain control in this field. 'Izz ad-Din al-Mabruk stressed the need for cooperation between the Arab oil-exporting countries in the field of the oil industry and its byproducts.

A representative of the Arab League [not named] also spoke. He began by saluting the strenuous efforts made by the Jamahiriyah in one of the most outstanding battles of economic liberation against imperialist monopolies, a battle in which it has succeeded in gaining control of its oil resources and in fully regaining them for the Libyan Arab people. He said that the oil states are engaged in a fierce struggle with the consumer states to gain freedom of control over their oil resources.

He pointed out that national responsibility requires us to view the Zionist danger to our Arab nation not only as a military threat but one which includes an imperialist plan to dominate the Arab economy to attain Zionist ambitions. In conclusion he stressed the need to formulate a scientific plan to invest Arab funds in the Arab homeland to serve the interests of its economy.

Conference Proceedings on 17 Jan

LD172150Y Tripoli Domestic Service in Arabic 1800 GMT 17 Jan 78 LD

[Text] The 10th Arab oil conference resumed this evening in the People's Hall, Tripoli. The session was devoted to a discussion of technical studies. Mushir 'Abd ar-Rahman, representative of the Iraqi national oil company, presented a paper on the technical aspects of the oil industry.

In the morning session Dr Miqula Sarkis, director of the Arab center for petroleum studies, presented a paper on the oil revolution, saying that the revolution which began in 1970, which meant full control of oil resources and raising its price, was not in itself an indicator of economic development. It was just another means for developing the Arab countries in the social, economic and political fields.

On the swift rise in oil revenue--which was met by the oil consumer countries with higher prices for their manufactured goods--he said that if certain conditions were not insured and no scientific plan was formulated for its use which would accelerate industrial progress in the Arab homeland, then its benefits would not be reflected in the various aspects of technical development in the Arab homeland.

Ali Muhammad Jidah, OPEC secretary general, submitted a paper in the morning session in which he said: Our evaluation of our limited oil resources must be closely linked with the process of our steady economic transformation from states exporting a single primary product into states capable of economic development depending on their own potentials when our oil resources tend to recede. He said that the consumer industrial states want the continued export of our oil resources at prices suitable to them. If we succumb to this wish, it will have serious repercussions on our economic future. He stressed the need for cooperation between the Arab countries within a unified scientific economic plan in order to give impetus to technical development.

In a study prepared by Dr Sulayman Atif, the representatives of the Abu Dhabi oil company, it is stated that the decisions on nationalization came after great and exhaustive efforts by the oil-producing states, which believed that political independence could not be achieved unless there was economic independence. He said that economic imperialism, which was the result of inequitable agreements concluded when the Arab countries were not independent, did not permit these countries to carry out policies and plans of comprehensive economic development.

Muhammed Ahmad (Zayn), of the national organization of oil in the Jamahiriyah, presented a paper dealing with the circumstances in the oil-exporting countries, price trends and the importance of oil in the life and progress of man. He also discussed the inequitable agreements and concessions which were concluded by the foreign companies with the oil-exporting countries to meet the demands of the industrialized states and to exploit the resources of the exporting countries without due consideration for the latter's economic conditions, a method rejected by the Jamahiriyah, which worked to change it and thus make conditions appropriate for the owners of the oil resources. This happened in the Jamahiriyah.

He also dealt with the exploitation which resulted from the agreements between the companies and the Arab countries and said that the companies exported oil according to their needs and the needs of their consumer states. He referred to the deficiencies in the oil-extra exporting countries in the fields of oil refining and transportation and to the difficulties in marketing production under the present oil agreements and concessions.

PALESTINIAN WORKERS FEDERATION MEETS IN DAMASCUS

JN161848Y Voice of Palestine [Clandestine] in Arabic to Arab World 1500 GMT 16 Jan 78 JN

[Text] Brothers Abu al-Lutf, Abu Iyad, Abu Salih and Abu Mazin, Fatah Central Council members and members of the general command of Al-'Asifah forces, together with brother Yasir 'Abd Rabbuh, PLO Executive Committee member, met in Damascus yesterday with brothers Ribhi 'Awad and Basil 'Aqil, members of the Executive Committee of the Palestinian Workers Federation.

The command brothers talked to the Palestinian working class, represented by the Executive Committee of the federation, on the current circumstances facing the Palestinian revolution and the plots aimed at aborting the Palestinian issue and bypassing the PLO in an attempt to endorse capitulatory solutions, consolidate the Zionist presence and firmly establish imperialist ambitions in the Arab region.

They praised the Tripoli summit conference of steadfastness and confrontation as well as the resolutions of the Arab popular conference. They also expressed their satisfaction over the resolution of national unity among the classes of the Palestinian revolution in repulsing the imperialist-Zionist-reactionary plots. They also talked about the role of the Palestinian working class as a vanguard of the Palestinian people in thwarting the plots facing the Palestinian revolution.

Fathi ar-Raghib, secretary general of the Palestinian Workers Federation, affirmed the backing of the Palestinian working class and its general federation for the Palestinian revolution and stressed the support of the working class for the struggling stands of the Palestinian revolution in the face of As-Sadat's capitulatory policy. The Executive Committee of the Palestinian Workers Federation has been meeting since yesterday to prepare for the sixth general conference, due to be held in March.

Federation Issues Statement

JN171635Y Damascus SANA in Arabic 1330 GMT 17 Jan 78 JN

[Text] Damascus, 17 January--The Executive Committee of the Palestinian Workers Federation issued a statement at the conclusion of its regular session held 15-16 January in Damascus.

During the session the committee discussed the prevailing political situation in the Arab region; trade union issues; achievements and activities of the federation's branches; and social issues of Palestinian workers and their situation in the occupied territories. It also discussed the steps which have been adopted at the Arab and international level in reply to As-Sadat's treasonable steps and to the conspiracies being concocted against the Palestinian cause and the Palestinian people's revolution.

The statement once again stressed the Palestinian Workers Federation's denunciation of the Egyptian regime's capitulatory steps, which constitute a stab in the back of the dignity and national principles of our Arab nation and a disavowal of the goals and wishes of our nationalist and progressive masses in our Arab area.

The Palestinian Workers Federation statement stresses that the As-Sadat capitulatory conspiracy began when he bridled the Egyptian Army in its advance to liberate the occupied Arab territories during the October liberation war, thus throwing himself in the lap of the United States and going back on the Algiers and Rabat summit resolutions. His conspiracy also includes his deviation from the national path by visiting the Zionist entity and meeting with terrorist Menahem Begin.

The statement further says: Our masses in the occupied territories have faced this capitulatory visit with categorical rejection and have raised their voices to overthrow As-Sadat and his allies through the demonstrations of anger and denunciation which have spread throughout the villages and cities of occupied Palestine.

The statement stresses that true peace in the region can only be built on the basis of the Palestinian Arab people's right to self-determination in their land and their return to their homeland and to establish their own state. The Palestinian Workers Federation hailed the front of steadfastness and confrontation and called on all fraternal and friendly nationalist and progressive forces to support this front materially and morally to enable it to face the dangers and the far-reaching effects of the As-Sadat treasonable conspiracy.

The statement hails the International Confederation of Arab Trade Unions, the World Federation of Trade Unions as well as the socialist bloc countries for their honorable stands and loyal support of the Palestinian cause. The Palestinian Workers Federation adopted a number of resolutions and agreed to convene the sixth general conference of the federation in Beirut.

ICATU POSTPONES CONFERENCE UNTIL 13 FEBRUARY

JN141450Y Baghdad INA in Arabic 1215 GMT 14 Jan 78 JN

[Summary] Baghdad, 14 January--The General Secretariat of the International Confederation of Arab Trade Unions [ICATU] announced here today that the extraordinary conference scheduled to be held in Kuwait has been postponed from the end of January to 13 February.

WEST BANK MAYORS RECEIVE THREATENING LETTERS

JN141833Y Voice of Palestine [Clandestine] in Arabic to Arab World 1500 GMT 14 Jan 78 JN

[Text] The Zionist enemy is continuing its terrorist campaigns and arbitrary measures against the mayors and the masses of the Palestinian people in the West Bank in an attempt to dissuade them from opposing occupation and make them accept the capitulatory plans. Yesterday brother Ibrahim at-Tawil, Al-Birah mayor, received a threatening letter signed by a terrorist Zionist organization. The letter demanded that he be moderate and agree to the consecration of occupation and self-rule.

It should be recalled that this is not the first letter of this kind. Rather it is one in a chain of terrorist practices by the Zionist military occupation authorities against our Palestinian people and their national leaderships in the occupied territories.

Brother Karim Khalaf, Ramallah mayor, received a similar threatening letter. In addition the Zionist military governor general has issued a decision forbidding him to take part in any popular meetings or press conferences in the West Bank before receiving a permit from the Zionist governor of Ramallah. Thus, there is a chain of terrorism and intimidation aimed at removing the national leaderships of our Palestinian masses in the occupied territories and creating frail substitutes to be used as instruments for the consecration of occupation.

The national personalities in the occupied territories have stressed that all these hopeless attempts are an expression of the failure of the occupation authorities to find substitutes and agents who will consecrate their occupation. They added that the masses of the Palestinian people have taken an oath to continue and escalate their resistance under their sole legitimate representative--the PLO--until occupation (?is obliterated) and the just aims and aspirations of the Palestinian people are achieved.

Meanwhile, brothers Karim Khalaf and Sulayman at-Tawil, mayors of Ramallah and Al-Birah, as well as the members of the two municipal councils have denounced the authorities of the Zionist military rule for closing the public library of Al-Birah municipality and a number of other libraries in Ramallah and Al-Birah.

PFLP CALLS FOR IMPLEMENTING TRIPOLI CHARTER

JN171205Y Baghdad INA in Arabic 1140 GMT 17 Jan 78 JN

[Text] Beirut, 17 January--The Popular Front for the Liberation of Palestine [PFLP] has again called on the PLO to convene the Palestine National Council to implement the Tripoli charter signed by the Palestinian resistance factions and to transform it into an organizational, political and struggle program.

The PFLP official spokesman, Bassam Abu Sharif, said that the confrontation of the treasonable plot being engineered by As-Sadat requires swift action to build a strong Arab front on clear political bases rejecting the capitulatory course. He pointed out that As-Sadat is trying to conceal his treason to the Arab masses' issue by conducting political maneuvers while claiming he is insisting on the right of self-determination for the Palestinian people. Abu Sharif said that As-Sadat and his regime are proceeding on the road of treason and complete capitulation to the Zionist enemy's conditions.

HUNGARIAN PEACE COUNCIL DELEGATION TOURS S. LEBANON

JN131725Y Voice of Palestine [Clandestine] in Arabic to Arab World 1400 GMT 13 Jan 78 JN

[Text] The Hungarian Peace Council delegation led by comrade [name indistinct], the council's secretary general and Presidium member of the National Council of the Patriotic People's Front of Hungary, has visited a military base in southern Lebanon. The delegation also inspected the results of the barbaric bombardment of Al-Azziyah village by the Zionist entity. The delegation then proceeded to the Burj Ash-Shamali refugee camp, where it met with cadres of the Fatah movement and the Palestinian revolution. A lengthy discussion took place during which a number of speeches were delivered.

Then the delegation paid visits to Palestinian families in the camp and listened to a detailed explanation of their situation and work. At Naqurah the delegation met with the commander of the military post and a number of its elements. The military post commander explained to the visiting delegation the situation in that region and in southern Lebanon and the battles which occurred in the region a few days earlier and the form of military support the Zionist enemy gave to the isolationist forces.

Al-Fahum Receives Delegation

JN172139Y Damascus Domestic Service in Arabic 2115 GMT 17 Jan 78 JN

[Text] Damascus--Khalid al-Fahum, chairman of the Palestine National Council (PNC), today received the delegation of the Hungarian Peace Council which is currently visiting Syria under Mrs Mandorne Sebestyen. The discussion revolved around recent developments in the area in light of As-Sadat's recent visit to occupied Jerusalem and the dangers and consequences emanating from this visit on all levels. Al-Fahum explained to the members of the delegation the Palestinian revolution's stand regarding these developments. He affirmed the Palestinian people's determination to continue the struggle for liberation and repatriation.

Both sides agreed on the need to use all means on all levels to thwart As-Sadat's visit of surrender and its results and to rally the ranks against the Zionist and imperialist machinations aimed at liquidating the Palestinian people's cause. The two sides also stressed the importance of supporting the front of confrontation and steadfastness and rallying all liberation movements in the world around this front.

KUWAIT

FINANCIAL DEALINGS WITH ISRAELI BANKS DENIED

LD131414Y Kuwait AS-SIYASAH in Arabic 11 Jan 78 p 7 LD

[Text] Muhammad al-Qatami, deputy general manager of the Kuwaiti Investments Company, and Yusuf Abu Khadrah, general manager of the Arab Company for Financial Securities, have denied a report by the Israeli newspaper JEWISH CHRONICLE that Israeli banks have been able to achieve "considerable successes" against Arab Boycott measures since they have been able to participate in some European loans in collaboration with certain Kuwaiti and gulf financial institutes.

Muhammad al-Qatami affirmed that the report, which was published last month, was no more than mere speculation and rumor. He said that under no circumstances will Kuwaiti financial institutes associate with Israeli banks in any activities. He said that the boycott office in Kuwait constantly watches the activities of Kuwaiti banks and other financial institutes in Kuwait to insure their strict adherence to the rules of the Arab Boycott of Israel. He added: "The office in question is fully aware of what is going on. Even if we buy stocks abroad, the office will know about it."

Commenting on the Israeli report, Abu Khadrah said that "it shows total misunderstanding." He said that the Chase Manhattan Bank management, which was responsible for making the Spanish loan, had invited Kuwaiti banks to participate in that loan. Naturally, the Kuwaiti banks refused to participate and even protested against this invitation, after which the management in question sent personal apologies to the Kuwaiti quarters it contacted in this regard.

As for the Citicorp loan, Abu Khadrah said that the Kuwaiti companies were only associate partners. He affirmed that there is no direct contractual relationship between the Kuwaiti banks and the managing group that includes the Bank of Israel which is on the blacklist.

Abu Khadrah added that Kuwaiti banks and Arab and Kuwaiti financial institutes do not participate and will never participate in any loan in which the Israelis would benefit. Abu Khadrah stressed the importance of differentiating between Israeli banks and Jewish banks that have no relations with Israel, because inclusion in the blacklist is not based on religious considerations.

The JEWISH CHRONICLE report claims that there had been two Arab involvements with Israeli banks. The first, it claims, occurred in late 1976 which was in the form of a contribution by Bank Leumi of Israel to a 25-million-dinar loan to Spain in which some Kuwaiti financial groups allegedly participated. The second incident, according to the report, was the participation of seven Kuwaiti groups in a $300 million project which the Israeli discount bank implemented in participation with the American Citicorp Company.

CRUDE OIL, LIQUID GAS PRICE INCREASES ANNOUNCED

NC171401Y Doha QNA in Arabic 1318 GMT 17 Jan 78 NC

[Text] Kuwait, 17 January--Kuwait today announced new prices for its crude oil and liquid gas for 1978. It sent the new prices to its customers and the foreign companies dealing with it.

Kuwaiti Foreign Ministry Under Secretary Mahmud al-'Adasami said that the new price of one barrel of Kuwaiti crude oil grade 31 will be $12.27 and that the cost of the oil must be paid within a maximum period of 60 days from the date of its shipment. He added that the new price of one metric ton of propane gas will be $133 and of butane gas $111 for the first quarter of 1978.

He pointed out that the price of the butane gas has been increased by $2 per ton this year in comparison with last year's price, to conform with the prices prevailing in the Arab Gulf. He said that the cost of the gas must be paid within 60 days from the date of its shipment.

SAUDI ARABIA

SA'UD MEETS WITH JAPANESE COUNTERPART 17 JAN

LD172002Y Riyadh Domestic Service in Arabic 2000 GMT 17 Jan 78 LD

[Summary] Saudi-Japanese talks began this afternoon under the chairmanship of Foreign Minister Sa'ud al-Faysal and Japanese Foreign Minister Sunao Sonoda. Members of both delegations were present. The meeting lasted for nearly 2 hours.

After the meeting Foreign Minister Sa'ud al-Faysal said "that he discussed with Mr Sonoda and the Japanese delegation bilateral relations in the political, economic and cultural fields. Agreement was reached to take all steps to further promote the consolidation and expansion of these relations. He added that a number of international issues of common concern were discussed during the meeting, including the consolidation of world economic change and the Middle East issue, on which views were identical. Both sides agreed that the Palestinian problem is the core of the dispute and that it is the basis for peace in the region and that a resolution of the problem should be based on the fact that the Palestinian people have the right to self-determination in accordance with the UN Charter.

"The official spokesman for the Japanese side also made a statement at the end of the meeting. He described the talks as fruitful and constructive. He said that Sa'ud al-Faysal and Mr Sonoda exchanged views on issues raised and that both sides' viewpoints on those issues were identical. He pointed out that the talks dealt with bilateral cooperation between the two friendly countries in all fields and on matters of common concern, in addition to world issues."

KYODO Report

OW180051Y Tokyo KYODO in English 0007 GMT 18 Jan 78 OW

[Text] Riyadh, Jan 17, KYODO--Foreign Minister Sunao Sonoda and his Saudi Arabian counterpart Sa'ud al-Faysal agreed Tuesday that Japan and Saudi Arabia should strongly promote economic and technological cooperation in the future. They also agreed that a fair and lasting peace should be attained in the Middle East based on Resolution No 242 of the UN Security Council.

Sonoda, who arrived in Riyadh from Abu Dhabi earlier Tuesday, met with Foreign Minister Sa'ud for some 2 hours and exchanged views on the international situation and bilateral problems. This was the first time that a meeting of foreign ministers of the two countries had been held.

At the outset of the meeting, Sonoda explained Japan's diplomatic and economic policies and stressed that Japan intended to cooperate with Saudi Arabia in the development of the country.

He evaluated the positive role played by Saudi Arabia in the decision made to freeze the crude oil prices at the meeting in Caracas last month of the Organization of Petroleum Exporting Countries [OPEC] and expressed the hope that Saudi Arabia will continue to take a moderate policy in respect to oil. Sonoda proposed that a meeting of the Japan-Saudi Arabia joint committee be held during this year. Sonoda also invited Sa'ud to visit Japan.

Sa'ud told Sonoda that his country wanted to actively promote economic and technological cooperation with Japan, including joint ventures. Agreement was reached that the two foreign ministers should hold their second round of meetings Wednesday morning to continue discussions on the international situation and bilateral problems.

Sonoda also is scheduled to meet Wednesday with Crown Prince Fahd ibn 'Abd al-'Aziz, Petroleum Minister Ahmed Zaki Yamani and Minister of Planning Hisham Muhyi al-Din Nazir.

YAR FOREIGN MINISTER ARRIVES IN RIYADH 17 JAN

LD171514Y Riyadh Domestic Service in Arabic 1130 GMT 17 Jan 78 LD

[Excerpts] YAR Foreign Minister 'Abdallah al-'Asnaj has stated that his visit to the kingdom is for the holding of consultations with His Royal Highness Prince Sa'ud al-Faysal, the foreign minister, concerning new developments in the area and for coordinating the efforts by the states of the Arabian Peninsula and the gulf to rebuild the bridges of Arab solidarity.

In a statement to the newspaper AL-MAJINAH published today he said that he carries the greetings of Lt Col Ahmad Husayn al-Ghashmi, chairman of the Command Council, to His Majesty the exalted King Khalid ibn 'Abd al-'Aziz and His Royal Highness Prince Fahd ibn 'Abd al-'Aziz, the crown prince and deputy prime minister.

Concerning the current developments in the Middle East, the YAR foreign minister called on the United States and the Soviet Union to affirm their positive move along the road to a complete and just solution in the area. He affirmed that the Red Sea will remain an Arab lake and an area of peace. It will not be a source of threat to recognized international rights except when these rights are misused to threaten the supreme Arab interests or to threaten the security and safety the peoples of the area.

Al-Asnaj affirmed at the end of his statement that the YAR is against axes or alliances and that it strongly supports all the steps of cooperation and coordination between the states of the area in the fields of economic development and respect for sovereignty.

YAR Foreign Minister al-Asnaj arrived in Riyadh this morning on a visit to the kingdom which is part of a tour of a number of Arab states.

UAE

COMMUNIQUE ISSUED ON JAPANESE FOREIGN MINISTER'S VISIT

OW171351Y Tokyo KYODO in English 1238 GMT 17 Jan 78 OW

[Excerpts] Riyadh, Jan 17 KYODO--Foreign Minister Sunao Sonoda arrived here Tuesday from Abu Dhabi on the last leg of his visit to the Middle East.

Earlier Tuesday, Sonoda issued a joint press communique with United Arab Emirates Foreign Minister Ahmad Khalifah as-Sawaydi before leaving Abu Dhabi.

In it, he praised the moderate policy of the UAE on oil prices and expressed Japan's appreciation for the UAE's friendly attitude in ensuring a stable supply of energy to Japan. Sonoda said he hoped that this friendly attitude would continue, and As-Suwaydi expressed his complete understanding.

The UAE foreign minister urged economic and technological cooperation between Japan and the UAE to be strengthened, and Sonoda announced Japan's determination to make every effort to this end.

Touching on the current situation in the Middle East, the joint communique expressed Sonoda's hope for peace in this area at the earliest possible date on the basis of UN Security Council Resolution 242 and the recognition of and respect for the legitimate rights of the Palestinian people in accordance with the UN Charter. The Japanese foreign minister also confirmed again that he had invited UAE President Zayid ibn Sultan Al Nuhayyan and Foreign Minister as-Sawaydi to visit Japan

RADIO STATION DONATES TO ERITREAN LIBERATION FRONT

NC180916Y Doha QNA in Arabic 0827 GMT 18 Jan 78 NC

[Text] Abu Dhabi, 18 January--The UAE has donated a radio transmitting station to the Eritrean Liberation Front.

This was stated by a responsible source in the Eritrean Liberation Front. In a statement published in the Abu Dhabi newspaper AL-ITTIHAD today, the source said that this station, which will be installed soon, will cover Eritrea and the surrounding areas.

On the other hand, the front's official in charge of foreign relations, Al-Amin Muhammad as-Sa'id, has emphasized that the port of Massawa is about to fall now that 95 percent of it has been liberated. The Eritrean official revealed that two Soviet destroyers are anchored close to the port and are giving constant support to the Ethiopian forces.

He denied recent reports that the Eritrean revolutionaries have Cuban and Soviet prisoners. Al-Amin Muhammad as-Sa'id arrived in Abu Dhabi yesterday. He is leading a delegation on a tour of a number of the states in the area to acquaint area officials with the latest developments in the situation in Eritrea.

YEMEN--YAR

PRESIDENT RECEIVES MESSAGE FROM SULTAN OF OMAN

JN171806Y San'a' Domestic Service in Arabic 1700 GMT 17 Jan 78 JN

[Text] Brother Lt Col Ahmad Husayn al-Ghashmi, chairman of the Command Council and commander in chief of the armed forces, this morning received in his office the Omani charge d'affaires, who conveyed to the brother chairman a written message from His Majesty Sultan Qabus ibn Sa'id, the sultan of Oman.

BRIEFS

ROC MINISTER IN JIDDA--Sun Yun-hsuan, minister of economic affairs of the Republic of China, arrived in Jidda last night on a visit to the kingdom lasting several days at the invitation of Dr 'Abd ar-Rahman ibn 'Abd al-'Aziz Al ash-Shaykh, minister of agriculture and water. At the airport he was met by Ash-Shaykh Muhammad Ali Nakki, undersecretary of the Ministry for Agricultural Affairs. [Text] [Riyadh Domestic Service in Arabic 0600 GMT 13 Jan 78 LD]

INFORMATION DELEGATION LEAVES FOR JERUSALEM

NC161836Y Cairo MENA in Arabic 1810 GMT 16 Jan 78 NC

[Text] Cairo, 16 January--A special Egyptian plane left Cairo for Jerusalem this evening carrying the Egyptian information delegation, which is headed by Tamadir Tawfiq, the chief of the Egyptian television, to cover the news of the Political Committee, which will begin its work in Jerusalem tomorrow, Tuesday.

MENA: SETTLEMENTS TO TOP MILITARY COMMITTEE AGENDA

NC171855Y Cairo MENA in Arabic 1827 GMT 17 Jan 78 NC

[Text] Cairo, 17 January--The Egyptian-Israeli Military Committee will resume its meetings at 1800 the day after tomorrow, Thursday, at At-Tahirah Palace in Cairo. The deputy prime minister and minister of war and war production, Gen Muhammad al-Jamasi, will head the Egyptian side to the meetings. The Israeli defense minister, 'Ezer Weizman, will head the Israeli side.

The MENA military editor has learned that the subject of the Israeli settlements in Sinai will top the subjects on agenda of the committee. The editor has also learned that the Israeli defense minister will bring with him his government's views on the subjects that were raised at last week's committee meetings. During these meetings, Egypt emphasized the need for complete Israeli withdrawal from Sinai and the removal of the Israeli settlements from Sinai because their presence violates Egypt's sovereignty over its territories.

The MENA military editor has further learned that the Israeli chief of staff, Gen Mordekhay Gur, will not be in the delegation that will participate in the meetings. A special plane carrying the Israeli military delegation, headed by Israeli Defense Minister 'Ezer Weizman, is expected at Cairo airport the day after tomorrow, Thursday morning. The delegation will be met at the airport by Deputy Prime Minister and Minister of War and War Production Gen Muhammad al-Jamasi.

MORE ON COMMITTEE TO FOLLOW JERUSALEM TALKS

NC171503Y Cairo MENA in Arabic 1350 GMT 17 Jan 78 NC

[Text] Cairo, 17 January--Information and Culture Minister 'Abd al-Mun'im as-Sawi has stated the following:

President Muhammad Anwar as-Sadat has directed that all developments in the political situation be studied in light of the talks now taking place in Jerusalem to attain a just and comprehensive settlement of the Middle East issue. A committee on the highest level of political action was immediately formed. It is headed by Vice President Husni Mubarak, who is assisted by Prime Minister Mamduh Salim. The committee includes a number of senior specialized experts.

This committee began work immediately after its formation by analyzing the situation every moment in light of the reports and statements Egypt had received and the reactions of certain world political circles it had noted and their effect on the various international trends. This committee has been charged with submitting the results of its analyses to the president of the republic at any moment so that he can immediately adopt the necessary appropriate decisions.

Arrangements have been made enabling Foreign Minister Muhammad Ibrahim Kamil to contact Cairo from Jerusalem quickly and regularly so that this committee may have a picture of the gradual progress of these [Political Committee] talks and so that it may deliberate on the progress in light of the reports it receives from various world circles and in light of Egypt's principled basic stand on the question of total withdrawal from the territories which were occupied in June 1967 and its stand on achieving a solution to the issue which would guarantee the legitimate rights of the Palestinian people.

The committee has thus far received a number of messages from Foreign Minister Muhammad Ibrahim Kamil. The last message was received this morning. It gives a complete picture of the situation. The committee has analyzed the messages of the foreign minister and submitted them to President Muhammad Anwar as-Sadat, who is at present following the progress of the Middle East question and the course the Jerusalem talks are taking.

By its quick action and by following up on all the important and fateful reports it receives, Cairo is undoubtedly serving the cause of peace in the whole world. The situation can no longer afford lost time in maneuvers but needs a quick follow-up on the events so that President as-Sadat's courageous initiative may achieve the national and humanitarian aims to which it aspires.

ARAB SOCIALIST PARTY DISCUSSES LATEST DEVELOPMENTS

NC172026Y Cairo Domestic Service in Arabic 1830 GMT 17 Jan 78 NC

[Excerpts] The Political Bureau of the Arab Socialist Party of Egypt held a meeting this morning under Mamduh Salim, the party leader and prime minister.

At the beginning of the meeting the Political Bureau heard a report by party leader Mamduh Salim on the latest developments in the situation in the Middle East talks since the start of the historic peace initiative of President as-Sadat. Mamduh Salim explained that the initiative is currently achieving its aim of giving momentum to the positions that we are witnessing today as these had come to a complete halt prior to the initiative.

Mamduh Salim explained that the accpetance or rejection of Israeli proposals is dealt with by the Egyptian side on the basis of whether they open the way to the acceptance of the two basic Arab demands: the Israeli withdrawal from the occupied Arab territories and insuring the legitimate rights of the Palestinian people and their right to self-determination. Egypt takes a clear and firm attitude to any formulas that detract from these two demands, and it considers them as positions that do not lead to permanent and just peace.

Mamduh Salim explained that on the basis of this Egyptian position, Egypt totally rules out a discussion of any proposal that will affect the status of Egypt's international borders. With regard to the issue of withdrawal, Egypt also totally rules out a discussion of any formula that would result in the presence of any Israeli soldier or civilian in Sinai under any circumstances. Egypt insists on total sovereignty over its territory. Consequently, it does not accept the existence of Israeli settlements in Sinai.

Mamduh Salim affirmed that the right of self-determination for the Palestinian people constitutes the cornerstone of the solution. It is possible to reach an understanding regarding Israel's security in such a way that will not affect this right and would safeguard the legitimate rights of all parties. No one except the Palestinians has the right to decide their future.

Egypt is of the opinion that within this framework it is possible to find some sort of a link between the West Bank and Jordan. The main thing is Israel's withdrawal from the West Bank.

As for the U.S. role in the peace-making process, Mamduh Salim affirmed that President Carter's visit to Egypt and his meetings with President Anwar as-Sadat have dotted the I's and crossed the T's with regard to agreement on the right of the Palestinians to participate in the determination of their future. If the main thing is for Egypt and Israel to reach agreement on the main principles, the United States should change its role from that of an observer to a more positive role in helping the two sides to overcome the difficulties. Egypt is still confident that the United States holds many of the threads of the situation regarding the Israeli position and that it shoulders a special responsibility in view of the kind of relationship that exists between it and Israel and in view of the fact that it is one of the cochairmen of the Geneva conference and one of the two superpowers. The correctness of Egypt's position has become clear in removing tension in this area and establishing peace based on justice and the right of all peoples to coexist in this area.

With regard to the parties which did not attend the talks, Mamduh Salim affirmed that Egypt shoulders a historic responsibility in establishing principles which are consistent with what the Arabs have agreed upon. The achievement of success in the establishment of these principles will open the way for each party to assume its responsibility.

With regard to the Soviet Union, Mamduh Salim explained that the agreement of the Arab and Israeli sides on preparations for successful peace talks is something that falls within the framework of the responsibility of the Soviet Union as a cochairman of the peace conference. Egypt deals with the Soviet Union within the framework of its adherence to its right to freedom of will.

SAUDI, TUNISIAN LEADERS SEND MESSAGES TO AS-SADAT

NC171233Y Cairo MENA in Arabic 1213 GMT 17 Jan 78 NC

[Text] Cairo, 17 January--Vice President Muhammad Husni Mubarak today received Saudi Ambassador in Cairo 'Abd ar-Rahman 'Abdallah Asa al-Khayl, who handed his excellency a letter from Saudi King Khali ibn 'Abd al-Aziz to President Muhammad Anwar as-Sadat dealing with the latest developments in the Middle East problem.

Vice President Mubarak also received Tunisian Ambassador Slaheddine Abdallah, who gave his excellency a letter from Tunisian President Bourguiba to President as-Sadat on the same subject.

FRENCH PRESIDENT GISCARD SENDS LETTER TO AS-SADAT

NC181145Y Cairo MENA in Arabic 1132 GMT 18 Jan 78 NC

[Text] Cairo, 18 January--Vice President Muhammad Husni Mubarak has received a letter from French President Valery Giscard d'Estaing, addressed to President Muhammad Anwar as-Sadat. The letter was handed to the vice president by French Ambassador in Cairo Jacques Senard during their meeting today.

SABOTEURS SENTENCED TO HARD LABOR FOR LIFE

NC162027Y Cairo MENA in Arabic 1956 GMT 16 Jan 78 NC

[Text] Marsa Matruh, 16 January--The Supreme Military Court sitting under the presidency of Col Mustafa Kamil Yahya today sentenced 'Abd al-'Ati 'Isa and 'Abd al-Hadi 'Allam to hard labor for life for their complicity in the Libyan sabotage plots in Egypt, which were planned at the direction of Col Mu'ammar al-Qadhdhafi.

Last March the Egyptian security authorities arrested the two accused carrying explosives and Russian arms to blow up the railroad lines between Marsa Matruh and (?As-Sallum) and a number of other installations in Matruh Province.

AL-JUMHURIYAH CITIED ON DECLARATION OF PRINCIPLES

NC180852Y Doha QNA in Arabic 0810 GMT 18 Jan 78 NC

[Text] Cairo, 18 January--The Cairo newspaper AL-JUMHURIYAH reports today that the statement on the declaration of principles, which will constitute the basis for the negotiations between Egypt and Israel for a comprehensive solution of the Middle East problem, will be issued in the next 2 days if no obstacles surface the last minute to prevent its announcement.

The newspaper says that the 24-hour postponement of U.S. Secretary of State Cyrus Vance's arrival in Jerusalem was for the purpose of reaching an understanding of the declaration of principles and was not caused by the dispute between Egypt and Israel on the agenda.

The paper adds that the Egyptian-Israeli agreement on the agenda, with the primary intention of issuing a declaration of principles, represents the first progress in the talks between the two sides since the Cairo conference. The paper adds that the discussion of two other items on the agenda--the main lines for negotiations dealing with the West Bank and Gaza Strip and the provisions of a peace treaty between Israel and the neighboring states in accordance with Security Council Resolution 242--depends on the declaration of principles.

The paper points out that there is hope that the other parties will participate in the talks in the event a declaration of principles is reached.

POLITICAL COMMITTEE FACES REAL DIFFICULTIES

NC171431Y Cairo Domestic Service in Arabic 1230 GMT 17 Jan 78 NC

[Muhammad Sharaf commentary]

[Excerpts] The Joint Egyptian-Israeli Political Committee began its meetings in Jerusalem this morning on the level of foreign ministers to discuss the principles of a political settlement in the Middle East.

It is clear that there are real difficulties facing the work of the committee. The importance of these difficulties cannot be minimized. If we try to analyze these difficulties and their reasons, it would become clear to us immediately that all these difficulties are due to the Israeli position, which is based not on the UN resolutions but on illogical and arbitrary interpretation of these resolutions.

In this respect, we must refer to some reported statements made by Israeli Foreign Minister Moshe Dayan and Prime Minister Menahem Begin.

Dayan, for example, said that the desire of the Israeli people for peace will not make them give Egypt everything it wants if this is going to threaten the security of Israel. He also said that he would rather see President as-Sadat's initiative fail than to sacrifice Israel's security and existence. It is clear that these statements by the Israeli foreign minister are devoid of any logic. Egypt, for example, is not asking Israel to give it anything. It is asking for the liberation of its territories and for the restoration of its complete sovereignty over these territories in accordance with international legitimacy, UN resolutions and the recognized principles of international law. Egypt is asking for the same thing with regard to the Palestinian issue. As for the Israeli foreign minister's statement that he would rather see President as-Sadat's initiative fail than to sacrifice what he called Israel's security and existence, no one in the world can accept such a statement. This is because the essence of the peace initiative undertaken by President as-Sadat is to guarantee security to all the states and peoples in the area. If the meaning of peace to the Israeli foreign minister is to seize Arab territory and usurp the legimate and recognized rights of the Palestinian people, Egypt does not accept this interpretation under any circumstances.

If we move on to the statements of Israeli Prime Minister Menahem Begin, we find that he says that giving up the Israeli settlements in Sinai will lead to the dismissal of any Israeli prime minister, but he himself would rather resign before he is dismissed. The answer to this is simply that the resignation of Begin from his post is a matter that concerns him personally, and he can make the decision he chooses in this respect. But the decision to maintain Israeli settlements in Egyptian territory is up to the Egyptian people. The Egyptian people's decision is, of course, based on international legitimacy and their will and right to uphold and defend their rights by all legitimate means.

AL-AKHBAR SEES BOUMEDIENE AS REJECTIONIST LEADER

LD171234Y Cairo AL-AKHBAR in Arabic 13 Jan 78 p 4 LD

[Ahmad Zayn article: "Boumediene in Moscow"]

[Text] Algerian President Houari Boumediene arrived suddenly in Moscow yesterday. Recently Boumediene has been highly active seeking to revive the front of rejectionist states that was stillborn. Boumediene's activities centered in particular on settling the disputes or, rather, the bitter enmity between the Syrian Ba'thists and the Iraqi Ba'thists. He moved between Baghdad and Damascus and held meetings with Ba'thists of both countries. He also gave his foreign minister messages to carry in connection with his talks with both sides.

It has been said that Boumediene is trying to build a new rejectionist front and that he is seeking to take practical steps to face the new situation that has developed in the Middle East. Suddenly Boumediene has appeared in Moscow, and it has been reported that he will discuss the situation in the Middle East with Soviet officials.

There was no previous indication of Boumediene's sudden visit to Moscow, and it appears that he kept the news of this visit a secret until the last moment. However, the purpose of this visit is clear and understood. Moscow is the principal base of the rejectionist front and the one that guides it and is responsible for it. Consequently, Boumediene must have carried out his contacts and efforts between Damascus and Baghdad as well as between the rejectionist states in response to Moscow's request.

He has gone to Moscow to brief Soviet officials on what he has achieved and what has been agreed upon between the Ba'thists so that further steps will be taken to build up the rejectionist front or, rather, to counter the steps on the road to comprehensive peace or, as Boumediene says it, to oppose the Zionist-imperialist plans.

It is quite clear that Moscow has designated Boumediene the champion leader of the rejectionist group whereas at the Tripoli conference the leadership of this group was assigned to Hafiz al-Asad. They said at the Tripoli summit that Syria would be the striking force in the struggle for the Arab cause and Arab rights. By virtue of this leadership Al-Asad, accompanied by Foreign Minister Khaddam, visited a number of Arab countries. On returning to Damascus he made a series of statements on the same theme--insults against Egypt and accusations of betrayal, isolationism and capitulationism and the rest of insults from the Ba'thist vocabulary. But Al-Asad's leadership of the rejectionist front stopped then and there.

Today Moscow is designating another champion in the hope that he will succeed where Al-Asad failed. Perhaps he will be able to revive the stillborn rejectionist front. Boumediene has launched large-scale activity and has made statements about the need to mobilize all Arab resources to oppose the so-called Zionist-imperialist plans. What does this mean? Has the leadership of the Arab struggle been assigned to Algeria after it had been assigned to Syria? Has the right for aid, allegedly decided upon at the Tripoli conference become what of Algeria after it had been for Syria? Will the Syrian Ba'th accept this change of status and recognize Algeria's new status? What is the attitude of the Iraqi Ba'thists, who are claiming the leadership for themselves?

These questions will be answered in the coming days. But we all believe that the answers will bring nothing new. Boumediene role in leading the rejectionists will be no better than that of Al-Asad, for this rejection is yet another evidence of their absurdity.

AL-AKHBAR: NEW PARTY NEWSPAPERS TO BE PUBLISHED

LD171321Y Cairo AL-AKHBAR in Arabic 13 Jan 78 p 1 LD

[Text] The General Secretariat of the Liberal Socialist Party, at its meeting yesterday under the chairmanship of Mustafa Kamil Murad, agreed to take the necessary steps to publish a daily paper to be called AL-AHRAR [THE LIBERALS] within the next 3 months.

We have been informed by Khalid Muhyi ad-Din [general secretary of the National Unionist Socialist Grouping party] that AL-AHALI [THE POPULATION], the party's newspaper, will be published every Wednesday beginning 1 February. Khalid Muhyi ad-Din, the party leader, is the chief editor.

MINUTES ON ECONOMIC COOPERATION SIGNED WITH SPAIN

JN172145Y Baghdad Domestic Service in Arabic 2100 GMT 17 Jan 78 JN

[Text] Iraq and Spain this evening signed minutes on economic cooperation between them. The minutes were signed on the Iraqi side by Hasan 'Ali, Revolution Command Council (RCC) member and minister of trade. Juan Antonio Gracia Diez, minister of commerce and tourism, signed for Spain.

The minutes cover the development of economic cooperation and trade exchange between the two countries in addition to outlining preparations for future cooperation in the oil industry. The minutes also mention Spain's participation in the next Baghdad International Fair and formulas for increasing Spanish companies' participation in the implementation of technical projects in Iraq.

After signing the minutes, hasan 'Ali and Garcia Diez exchanged speeches praising the depth of the historic relations between the two friendly countries and the development of cooperation between them.

Delegation Concludes Visit

JN180733Y Baghdad INA in Arabic 0730 GMT 18 Jan 78 JN

[Excerpt] Baghdad, 18 January--Spanish Minister of Commerce and Tourism Juan Antonio Garcia Diez and his delegation left Baghdad this morning at the end of a 3-day visit to Iraq.

In a press statement prior to his departure, the Spanish minister said that he had discussed with Iraqi officials all aspects of cooperation in the fields of trade, industry, communications and tourism. He expressed confidence that Iraq and Spain will develop their cooperation in the future.

ARAB ECONOMIC COUNCIL SECRETARY ARRIVES IN BAGHDAD

JN171841Y Baghdad Domestic Service in Arabic 1700 GMT 17 Jan 78 JN

[Text] Dr 'Abd al-'Al as-Sakban, secretary general of the Arab Economic Unity Council, arrived in Baghdad today.

In a statement to INA he said that during a tour of Arab countries he discussed with Arab economy ministers the subject of convening the council's 30th session as soon as possible. He added that the council will resume its activities after this session is convened. It will seek measures to overcome the conditions imposed on it as a result of the pressures and events in the Arab area in the wake of As-Sadat's visit to the occupied territories.

Dr as-Sakban said that he will brief Hasan 'Ali, RCC member and minister of trade, on the results of his tour as Iraq's permanent representative to the council.

He further said that the officials he met with during his tour condemned the measures taken by the As-Sadat regime against the council's secretary general.

ARAB POPULAR CONFERENCE CHAIRMAN CONCLUDES VISIT

JN171144Y Baghdad INA in Arabic 1125 GMT 17 Jan 78 JN

[Text] Baghdad, 17 January--Chairman of the Arab popular conference Dr 'Abd al-Majid Farid, left Baghdad today at the end of a weeklong visit to Iraq.

Dr Farid stated that he had talks with officials in the popular and vocational organizations on the developments in the Arab area following As-Sadat's treasonable visit to the occupied territories.

ERITREAN OFFICIAL ARRIVES IN BAGHDAD FOR VISIT

JN172158Y Baghdad Domestic Service in Arabic 2100 GMT 17 Jan 78 JN

[Text] Ahmad Nasir, chairman of the Revolutionary Council of the Eritrean Liberation Front [ELF], arrived in Baghdad this evening on a visit of several days to Iraq. In a statement to INA Nasir said that he will brief the comrades in the Ba'th Party on all the developments in the Eritrean area and on the level of confrontation against the Ethiopian enemy, who has lately escalated his military operations and begun to bomb the liberated towns with U.S. planes and other sophisticated weapons.

Nasir added that the Eritrean revolution is on the verge of (?ending) the struggle against Ethiopian colonialism and the requisites of this stage [words indistinct]. He praised Iraq's support for and backing of the Eritrean revolution.

UN UNDER SECRETARY GENERAL CONCLUDES VISIT

JN171140Y Baghdad INA in Arabic 1040 GMT 17 Jan 78 JN

[Text] Baghdad 17 January--Mr Lewandowski, UN under secretary general for conference services, left Baghdad at noon today following a weeklong visit to Iraq. While in Iraq, Lewandowski had talks with Foreign Ministry officials on issues of mutual interest. He also discussed the question of offering UN know-how for setting up an institute for training translators in Iraq.

Lewandowski praised Iraq's role in Arab and international groups and described it as dynamic and effective.

ECONOMIC DELEGATION LEAVES FOR MEETINGS IN ATHENS

JN181117Y Baghdad INA in Arabic 0735 GMT 18 Jan 78 JN

[Text] Baghdad, 18 January--An Iraqi economic delegation led by Mahdi Muhsin 'Awdah, Trade Ministry under secretary, left for Athens today to attend the meetings of the first session of the joint Iraqi-Greek committee, scheduled to begin there today.

'Awdah said that during its meeting, which will last 1 week, the committee will discuss ways to develop cooperation between the two countries in the economic, trade and technical fields.

The delegation includes representatives of the ministries of trade, foreign affairs, industry and minerals and agriculture and agrarian reform. It also includes representatives of the national oil company

AMMAN REPORTS ON HUSAYN'S INTERVIEW WITH FRENCH TV

JN171436Y Amman Domestic Service in Arabic 1200 GMT 17 Jan 78 JN

[Text] His Majesty King Husayn has stated that the region is now at a final and serious crossroads. So far there has been no response to President as-Sadat's courageous step from the Israeli prime minister and his cabinet, his majesty added.

In a live interview with French television yesterday, his majesty said: I feel that we are now in the final stages. We are awaiting an explanation of the main principles which will define the path of a just peace.

In reply to a question on the basic conditions for peace in the region, his majesty said: The first step to achieving peace is the acceptance of the principle of Israeli withdrawal from all the territories occupied in June 1967 and the acceptance of the right of the Palestinians to determine their destiny and future. These two principles are the main points which will be discussed during the next few days. Success or failure depends on Israel's acceptance or rejection of these two principles.

Answering a question on Jordan's stand on the current talks, his majesty said: It is obvious that we were surprised by the recent developments in the region, including President as-Sadat's initiative in which he alone made a decision about which no one had prior knowledge. We contacted President as-Sadat, President al-Asad and other leaders in the region and we are now closely following developments. We are a confrontation state and we are very much concerned about the establishment of a just and lasting peace. We also believe that the rights of the Palestinian people in the Palestinian homeland must be insured. His majesty said: Until the path and the principles which must be taken into account to achieve peace in Geneva or elsewhere are clear, we will continue our endeavors to unify Arab ranks and will continue contacts with all the parties concerned and do our best to play a constructive role at this very delicate state which might affect the future of the whole world. It is clear that the Arab world truly cherishes peace but the important thing is what Israel warts and what its attitude will be. In any case it is the results that will count.

In reply to a question about his majesty's opinion regarding Begin's latest proposals and the Jordanian attitude, his majesty said: I do not think that Begin's proposals are acceptable or constructive at all. I believe that the Palestinians must be a party to the solution of their problem and must participate in the process which will lead to a solution. Regarding the Jordanian attitude, I have made it clear time and again since 1967 that what we can agree on is to do our utmost to regain all the territories lost to Jordan and the Arabs in June 1967 and to put these territories under international supervision until the Palestinians decide on their own future. I believe that the overwhelming majority of the Palestinian people desire the establishment of the just and lasting peace. I am sure that any decisions by the Palestinian people will be acceptable to us. We can live with any decisions which are commensurate with the concept of peace.

On the possibility of Jordan's participation in the peace negotiations, his majesty said: I cannot bargain with Palestinian territories or Palestinian rights.

If we participate in the negotiations to regain the territory we lost in June 1967--all the territories and rights must be regained. [sentence as heard] This territory will not be returned to Jordan but put under international supervision until the Palestinian people in the occupied territories and other places decide their future. Our connections with the Palestinians are very strong. There is strong adherence to Palestinian identity by the Palestinians and also strong adherence to Jordanian identity by the Jordanians. However, I cannot imagine that these two peoples, who were part of a larger homeland and who were linked together by many strong ties, could abandon each other. The people in the future might choose a unifying connection [rabitatan ittihadiyah] between Palestine and Jordan. I believe that the national connection is very strong and is very difficult to undo.

On his opinion about the possibility of reconvening the Geneva conference, his majesty said: I believe that there still is a possibility that the Geneva conference might be reconvened. The Cairo meetings have been described as preparatory to the Geneva conference. I believe that the current meetings are being held to define and agree on principles. These principles are of course contained in Resolutions 242 and 338. All this is in preparation for the next advanced stage. President as-Sadat has announced that if success is achieved concerning these principles and if everyone agrees on them, he will contact the Arab leaders to tell them that the time has come to go to Geneva to discuss the details. There is no point in talking about Geneva now because many things depend on what happens during the next few days.

In reply to a question on whether or not Jordan intends to contact Israel to hold talks," his majesty said: I have clearly explained during the period after 1967 that we are endeavoring to regain all the territories which we lost and that they are to be put under international supervision until the Palestinian people decide their own future. However, we have not succeeded in all the efforts. Israel did not even agree to sign an agreement on disengagement as was the case between Israel and Egypt and Israel and Syria after the war. Then the Rabat summit conference convened in Rabat and that decision was taken [presumably to recognize the PLO as the sole legitimate representative of the Palestinians] which changed our responsibility toward the Palestinian problem. The Israelis used to say that the Jordanians occupied the West Bank by force in 1948 and that Jordan annexed it. The Israeli prime minister went even further and said that he did not consider us a party which has any right in the occupied territories. He says this despite the fact that we joined the United Nations and were recognized by everyone without any opposition as the Hashemite Kingdom of Jordan which includes the east bank and the West Bank. In any case the important thing is not the past. We are now concerned with the future. I think that if peace is to be achieved it must be on the basis of the principles contained in Resolutions 242 and 338, that is, the withdrawal of Israel from all the occupied Arab territories and the recognition of the rights of the Palestinian people. If this is not achieved the world will know who is intransigent, and difficult and impossible.

SOMALI PRESIDENT ARRIVES IN AMMAN ON 2-DAY VISIT

JN171925Y Amman Domestic Service in Arabic 1900 GMT 17 Jan 78 JN

[Text] His Excellency President Mohamed Siad Barre, president of the Somali Democratic Republic, arrived in Amman this evening on a 2-day visit to Jordan during which he will hold talks with His Majesty King Husayn on the current situation in the Arab area and relations between the two countries.

President Barre was received at the airport by His Majesty King Husayn; Prime Minister Mudar Badran; His Excellency Sharif 'Abd al-Hamid Sharaf, chief of the Royal Hashemite Court; 'Amir Khammash, court minister; ministers; and several senior military and civilian officials.

The Somali president is accompanied by a delegation including Omar Arteh Ghalib, minister of culture and higher education; (Ibrahim Mijaj), member of the central committee of the party and presidential adviser; ('Abd ar-Rahman Nur), member of the central committee of the party and presidential adviser; (Muhammad Sharif Mahmud), under secretary of the Foreign Ministry; and ('Umar 'Alami), director of the president's office.

Talks With Husayn

JN172122Y Amman Domestic Service in Arabic 2100 GMT 17 Jan 78 JN

[Excerpt] His Majesty King Husayn and His Excellency President Mohamed Siad Barre, president of the Somali Democratic Republic, held a session of talks in the Hashimiyah Palace this evening. The talks dealt with developments in the Arab issue, the issue of the Horn of Africa and relations between the two fraternal countries.

On the Jordanian side the talks were attended by Prime Minister Mudar Badran; His Excellency Sharif 'Abd al-Hamid Sharaf, chief of the Royal Hashemite Court; and several senior officials. On the Somali side the talks were attended by the members of the delegation accompanying His Excellency President Mohamed Siad Barre.

His Majesty King Husayn hosted a dinner in honor of the guest which was attended by the members of the Jordanian and Somali sides.

OFFICIAL SOURCE DENIES VANCE TO VISIT JORDAN

JN171352Y Damascus Domestic Service in Arabic 1215 GMT 17 Jan 78 JN

[Text] A responsible Jordanian source today denied news that U.S. Secretary of State Cyrus Vance, who is at present in occupied Jerusalem intends to pay a short visit to Jordan.

The Jordanian source stated to AFP that no contacts on this matter have been made between Jordan and the United States.

Meanwhile, MENA reported last night that U.S. Secretary of State Cyrus Vance will visit Jordan on Thursday following a short visit to Egypt.

PRIME MINISTER RECEIVES SAUDI AMBASSADOR IN AMMAN

JN180638Y Amman AR-RA'Y in Arabic 18 Jan 78 p 1 JN

[Text] Prime Minister Mudar Badran received in his office yesterday Jordanian Ambassador to Saudi Arabia Dr Nasir ad-Din al-Asad and Saudi Ambassador in Amman Shaykh Ibrahim as-Sultan. The prime minister reviewed Jordanian-Saudi relations with the two ambassadors and ways to stimulate these in relations various spheres.

Dr Nasir ad-Din al-Asad left Amman for Jidda yesterday to assume his post there.

AR-RA'Y has learned that Jordanian-Saudi contacts will be held on a high level within the next few days.

CROWN PRINCE HASAN LEAVES FOR BRITAIN, U.S.

JN171257Y Amman Domestic Service in Arabic 1200 GMT 17 Jan 78 JN

[Text] Crown Prince Hasan and Princess Tharwat this morning left Amman for a private visit of a few days to Britain. At the end of his visit to Britain, Prince Hasan will make a working visit to the United States. During his visit he will hold economic talks with U.S. officials.

The two were seen off at the airport by King Husayn, Princess 'Aliah, Prime Minister Mudar Badran, chief of the Royal Court Sharif 'Abd al-Hamid Sharaf, Court Minister 'Amir Khammash and a number of high-ranking officials.

IBRAHIM ASKS WESTERN POWERS TO EXERT PEACE EFFORTS

JN171243Y Amman Domestic Service in Arabic 1200 GMT 17 Jan 78 JN

[Text] A spokesman for the Foreign Ministry of the Hashemite Kingdom of Jordan has told the JORDANIAN NEWS AGENCY correspondent that Minister of State for Foreign Affairs Hasan Ibrahim today received the heads of diplomatic missions in Amman of the United States, the FRG, France, Italy, Belgium and the United Kingdom. The minister of state reviewed with them the general situation in the area and conveyed to them the Jordanian Government's interest in their countries' exertion of efforts to surmount the difficulties obstructing the path of a just settlement. He urged that they carry out their responsibilities regarding the issue of just peace in the area, the path to which is at present being blocked by the obstinate Israeli attitude.

JOINT FORCES COMMANDER IN SOUTH WARNS OF ISRAELI ATTACK

NC160930Y Doha QNA in Arabic 0810 GMT 16 Jan 78 NC

[Text] Doha, 16 January--Military sources of the command of the Progressive-Palestinian Alliance in southern Lebanon have warned that Israel is preparing to launch an aggression against southern Lebanon soon.

Abu Salih, the commander of the alliance's joint forces, affirmed that in the past 3 days Israel has concentrated several infantry brigades and two armored brigades in an attempt to invade southern Lebanon. He said that the number of Israeli forces which have been concentrated is more than 5,000 soldiers. This is in addition to the forces which were present there before.

In a statement published by the Qatari newspaper AL-'ARAB today, Abu Salih says that Israel has asked the isolationist forces to ignite the situation in southern Lebanon to give Israel the opportunity to attack.

NATIONALIST MOVEMENT ON EGYPTIAN UPRISING ANNIVERSARY

JN181110Y Bahdad INA in Arabic 0915 GMT 18 Jan 78 JN

[Excerpt] Beirut, 18 January--The Lebanese nationalist movement, popular and labor circles and the Lebanese press have expressed their solidarity with the Arab people in Egypt on the occasion of the first anniversary of the uprising staged against the As-Sadat regime on 18 and 19 January 1977.

The central political council of the nationalist movement has released a statement confirming the solidarity of the masses in Lebanon with the masses of the Egyptian people and their progressive and patriotic forces which are now facing the destructive results of As-Sadat's capitulationist course--results coupled with the escalation of oppression against democratic liberties.

The statement strongly condemns the capitulatory negotiations the Egyptian regime's representatives are holding with the Zionist enemy. The statement points out that the blatant proceedings of these negotiations categorically and accurately disclose day after day the conclusions drawn by the Lebanese nationalist movement and all the Arab progressive and nationalist forces about the complete capitulatory nature of the current settlement endeavors which are under the control of the United States.

NATIONALIST MOVEMENT PLANS JUNBLATT COMMEMORATION

JN170827Y Baghdad INA in Arabic 0815 GMT 17 Jan 78 JN

[Text] Beirut, 17 January--The emergency committee of the central political council of the Lebanese nationalist movement has discussed the developments in the Arab situation and the outcome of the visits that have been made by a number of the council members to Baghdad, Rome and Paris.

During its meeting last night, the committee also discussed the current preparations for holding a world seminar on 16 March to commemorate the first anniversary of the martyrdom of Kamal Junblatt, leader of the political council of the Nationalist movement and leader of the Socialist Progressive Party.

The Political Council is due to hold an expanded meeting later today to complete the deliberation.

PRESIDENT AL-ASAD RECEIVES QATARI FOREIGN MINISTER

JN1716437Y Damascus Domestic Service in Arabic 1615 GMT 17 Jan 78 JN

[Text] At 1700 today President Hafiz al-Asad received Shaykh Suhaym ibn Hamad Al Thani, Qatari foreign minister, who was accompanied by his son, Shaykh Hamad.

PEOPLE'S ASSEMBLY SPEAKER RECEIVES JORDANIAN OFFICIAL

JN1715177Y Damascus SANA in Arabic 1335 GMT 17 Jan 78 JN

[Text] Damascus, 17 January--Muhammad 'Ali al-Halabi, speaker of the People's Assembly, received in his office today Bahjat at-Talhuni, president of the Arab parliamentary federation [and Jordanian speaker of the Senate], and Khalid al-Fahum, chairman of the Palestine National Council.

The meeting was attended by Dr Husam al-Khatib, assistant secretary general of the Arab parliamentary federation.

Talks were held during the meeting on the Arab parliamentary federation and the drafting of an agenda for the meeting due to be held during the first few months of this year.

SYRIANS ABROAD TO PAY MONEY IN LIEU OF MILITARY SERVICE

JN1522065Y Damascus Domestic Service in Arabic 2115 GMT 15 Jan 78 JN

[Decree No 7 issued by President Hafiz al-Asad]

[Text] In accordance with the constitution, the president of the republic decrees that:

Article 1: Contrary to previous decrees, payments of cash are to be accepted from Syrian Arabs who are obliged to serve in the army but cannot do so whatever their dates of birth and (?work) and who are residing in the following states: Saudi Arabia, Kuwait, the UAE, Bahrain, Qatar and Oman.

B. [as heard] The payments mentioned in the previous paragraph A [as heard] are conditioned so that the period of residence must be continuous and for 5 years after the person concerned has attained the age of service as of the date of this decree and thereafter.

Article 2: The payment mentioned in Article 1 is put at 5,000 U.S. dollars for each person concerned and must be paid to the state treasury.

Article 3: The General Command of the armed forces will issue the necessary instructions to implement the decree.

Article 4: The decree is [words indistinct] and those concerned must be notified to this effect as of the sate of issuance.

Damascus, 10 January 1978

[Signed] Hafiz al-Asad, president of the republic

ALGERIA

COOPERATION PROTOCOL SIGNED WITH BULGARIA

LD171854Y Algiers APS in French 1600 GMT 17 Jan 78 LD

[Summary] Algiers--A protocol agreement on Algerian-Bulgarian cooperation was signed on Monday by the Algerian trade minister and the Bulgarian finance minister. The Bulgarian finance minister left Algiers on Monday afternoon.

In a statement to APS before his departure the minister underlined the importance of cooperation between Algeria and Bulgaria and said that there are several areas in which this cooperation can be increased, especially in agriculture and industry. He said that a greater cooperation in the engineering industry is envisaged between the two countries, and that Bulgaria can offer Algeria agricultural, electronic and electro-technical machinery as well as finished products.

In the field of scientific cooperation several Bulgarian experts will be sent to Algeria to work in various development projects.

LIBYA

AL-QADHDHAFI RECEIVES MESSAGE FROM KING KHALID

LD181310Y Tripoli Domestic Service in Arabic 1230 GMT 18 Jan 78 LD

[Text] Col Mu'ammar al-Qadhdhafi this afternoon received Dr 'Abd al-'Aziz al-Khuwaytar, Saudi education minister and special envoy of King Khalid. The Saudi envoy handed a personal message to Col Mu'ammar al-Qadhdhafi from King Khalid.

The audience was attended by the secretary for foreign contacts, the secretary for education and by the Saudi ambassador to the Jamahiriyah.

JALLUD RECEIVES SYRIAN-PALESTINIAN COMMITTEE MEMBERS

LD172144Y Tripoli Domestic Service in Arabic 1800 GMT 17 Jan 78 LD

[Excerpt] Staff Maj 'Abd as-Salam Ahmad Jallud this afternoon received Talal Naji, Salih Ra'fat and Muhammad Ghunaym, members of the Syrian-Palestinian Supreme Coordination Committee, who are to follow up the implementation of the resolutions passed by the Tripoli summit of steadfastness and confrontation.

OFFICIAL RECEIVES VISITING U.S. SENATOR

LD181016Y Tripoli JANA in English 0810 GMT 18 Jan 78 LD

[Text] Tripoli, January 18, JANA--The visiting American senator James McClure was received here yesterday by assistant secretary of land development and reclamation who gave a detailed picture of the agricultural development achieved by the Jamahiriyah.

Senator James McClure expressed admiration for the all round progress being made by the Jamahiriyah under the First of September Revolution.

They also discussed cooperation between the two countries in the agricultural field.

SOVIET DEPUTY AGRICULTURE MINISTER ARRIVES FOR VISIT

LD172150Y Tripoli Voice of the Arab Homeland in Arabic 2115 GMT 17 Jan 78 LD

[Text] The Soviet deputy minister of agriculture arrived in Tripoli at noon today on a visit of a few days to the Jamahiriyah. He is to hold talks with officials in the agriculture secretariat connected with cooperation and the exchange of agriculture experience between the Jamahiriyah and the Soviet Union.

FATAH DELEGATION MAKES VISIT, TO GO TO ALGERIA

JN171618Y Voice of Palestine [Clandestine] in Arabic to Arab World 1500 GMT 17 Jan 78 JN

[Text] A Palestinian delegation made up of Abu Mahir, member of the Fatah Central Council; Talal Naji, member of the PLO Executive committee; and Salih Raf'fat, member of the Political Bureau of the Democratic Popular Front for the Liberation of Palestine, arrived in the Libyan Arab Jamahiriyah yesterday for talks with senior officials on the latest developments in the area.

The Palestinian delegation is also scheduled to visit Algeria for the same purpose.

MOROCCO

HASSAN ADDRESSES NEWSMEN ON TIES WITH SPAIN

LD172324Y Madrid in Spanish to Europe 1900 GMT 17 Jan 78 LD

[Text] Early this afternoon, King Hassan II of Morocco held a press conference in the Royal Palace in Marrekech for the Spanish press--journalists from the newspapers, radio and TV who are following a group of Spanish industrialists and businessmen visiting the Moroccan Kingdom.

After welcoming the Spanish delegation, King Hassan said that a new era of cooperation between the two peoples had started. We want to open up the gates of cooperation, he said, because if these gates are not opened some of the problems between the two countries would not find solution.

Then King Hassan spoke about the present circumstances, which he described as very favorable. First, he said, because Spain and Morocco both enjoy the human resources of youth capable of carrying out this cooperation, and second, because both Spain and Morocco had organized a new way of life. Democracy has been established in the country [as heard] and this had been organized in the most appropriate fashion.

In conclusion, Hassan II said that in many ways Spain was an African country and Morocco, by the same token, was a European country. This is how we see the situation, in which the two countries can complement one another and in which they are obliged to help each other.

Finally, Hassan II said that the personal relations which existed and had always existed between King Juan Carlos and Hassan II were very important and serve to promote the cooperation to which he referred.

FINANCE MINISTER VIEWS ECONOMY DURING 1973-1977 PLAN

LD161201Y Casablanca LE MATIN in French 5 Jan 78 pp 4-5 LD

[Apparent text of speech by Moroccan Finance Minister Abdellatif Ghissassi at 4 January press conference in Rabat]

[Excerpts] The average annual growth rate for gross domestic production [during the 1973-1977 development plan] was 7.5 percent, which is a great deal higher than the growth rates achieved by previous plans. This means the growth rate reflected the country's economic structure and covered a disparity between the sectors: Thus, activity in the primary sector grew by 3.6 percent while activity in the secondary and tertiary sectors grew by [figure illegible] percent and 7 percent respectively.

Our economic policy has been distinguished mainly by the recovery of our country's productive apparatus. The last foreign-owned farms were recovered in 1973. Likewise, Moroccanization of certain activities in the secondary and tertiary sectors has enabled Moroccans to gain complete or partial control over about 1,500 enterprises. To protect our fishing resources we have extended our territorial waters to a 70-mile limit.

At the same time as we were recovering the productive apparatus, a number of texts were published forming an investment code aimed at encouraging private initiative.

These measures helped to achieve an investment rate higher than any achieved in the past. The total amount of gross production of fixed capital over the 5-year period was more than 38 billion dirhams, which is more than three times the figure achieved in the 1968-72 plan and 1.5 times the total investment initially planned in the 1973-77 plan. It went from 2.7 billion dirhams in 1972 to almost 13 billion dirhams in 1977.

There was a constant growth in investments returned to gross domestic production, the investment growth rate rising from 15 percent in 1972 to 36 percent in 1977.

Although the role of the state budget remained considerable, the private and semi-public sectors have also shown unprecedented dynamism, particularly as a result of the different investment codes. Thus investment encouraged by the state in various economic sectors increased tenfold between 1972 and 1977, rising from 500 million dirhams to 5 billion dirhams.

In the field of shipping 30 new vessels were added to the national fleet which gave it a 12 percent share of the total trade under our flag in 1977 whereas this share was only 1.2 percent in 1972.

This unprecedented rise in investment inevitably had repercussions on gross domestic production. Apart from the fall in growth recorded in the agricultural sector all other sectors recorded considerable annual average growth rates: 18 percent in building and public works, 8.6 percent in energy, 6.8 percent in commerce, 6.2 percent in industry and crafts and 5.6 percent in transport and services.

As far as foreign economic relations are concerned the balance of payments has undergone profound changes over the last 5-year period.

The balance of payments current account saw its surplus strengthened during the first 2 years of the plan but has shown a growing deficit since 1975. The considerable increase in money remitted by Moroccan workers overseas and in tourist income only partially compensates for the effect of the main factors causing the increasing deficit in the current account, namely, the difficulties in marketing Moroccan products abroad and the considerable rise in imports.

After practically doubling in value in 1974, our exports fell appreciably in 1975 and 1976, taking into account the fluctuating price of phosphates and other minerals and the fall in exportable agricultural products following the poor harvest of 1975.

The value of our imports, on the other hand, rose considerably at a rate of 30 percent a year. All types of imports increased in the 5-year period from 1973-1977, a period which was marked by soaring prices on the international markets.

SUDAN

NUMAYRI FULLY RECONCILED WITH SADIQ AL-MAHDI

LD171940Y Omdurman Domestic Service in Arabic 0800 GMT 17 Jan 78 LD

[Excerpt] Replying to numerous letters referring to the efforts exerted to consolidate national unity which had failed because of Sadiq al-Mahdi's absence from Sudan, the leader-president said in his monthly radio and television program yesterday:

Since my meeting with Sadiq al-Mahdi in Port Sudan we have managed to settle all disagreements. Our meetings subsequently continued and the last took place immediately before his departure on tour.

The president said: Brother Sadiq has traveled outside Sudan within the framework of our joint efforts to consolidate national unity, to contact the brothers abroad to this end. It is a mission in which he has succeeded, in Tripoli and in the other places he visited. He has also given me, by means of letters and messengers, details of his movements. He has also notfied me that he will return very soon. President Numayri added: I can now confirm that Sadiq al-Mahdi rose to expectations: he has been trustworthy, sincere, committed to what he promised, loyal to what [word indistinct] his homeland, to which he is devoting all his efforts and capabilities.

The president went on to praise all those, both inside and outside Sudan, who responded to the call for national unity, because they had stood firm to consolidate and broaden its base within the framework of the gains made by the people and the victories won by the May revolution toward improving life in Sudan.

President Numayri announced in his monthly program that had signed orders establishing a general telecommunications corporation and a general posts and telegraphs corporation under the general corporations law of 1976.

He referred to the telecommunications revolution the country was experiencing and to the inauguration last week of the second phase of the microwave network to carry television and telex services to Kassala, Al-Qadarif, Sinnar, Kosti, Umm Ruwabah, Al-Ubayyid, Wau, Kaduqli, Ad-Damasin and Al-Fashir as part of the framework of the network which established communications with Nyala, Juba and Dunqulah. The president also announced that the television transmission would reach Malakal by the end of this month. Automatic telephone communications would also reach the same town in May. The same services would reach Karimah, Bor and Rumbek in (?July) [words indistinct]. Then, in October this year they would reach Yambio and Wadi Halfa.

MATERIALS ON ISRAELI-EGYPTIAN POLITICAL COMMITTEE

First Closed Session

TA171241Y Jerusalem Domestic Service in Hebrew 1100 GMT 17 Jan 78 TA

[Text] Let us go over to Shalom Qital to hear details about the conclusion of the first closed session in the Hilton Hotel:

[Qital--live] The meeting lasted about 15 minutes and it was decided that the next meeting would take place tomorrow, at 1500 [1300 GMT]. This will be an official meeting, but it does not mean that informal meetings will not be held. I have asked the foreign minister's adviser and Foreign Ministry spokesman, Naftali Lavi, to come to our studio in the Hilton Hotel. Naftali, a few minutes ago you, together with Dr Mursi Sa'd ad-Din, the Egyptian spokesman, briefed reporters. Now we have asked you to come here. You were present during this brief meeting of the foreign ministers. Tell us a little about the meeting.

[Lavi] The meeting was very short and to the point. The foreign minister opened it, presenting the Israeli paper regarding the discussion to be held. This paper was distributed among the members of the Egyptain delegation and also to the U.S. delegation. In return, the Egyptians submitted to us their paper which apparently includes all the components they propose and which we have not yet examined. The foreign minister said that in the wake of [exchanging] these papers, we will hold a further discussion tomorrow at 1500 so that each party can review the documents and see what the other party is saying.

[Qital] You spoke of two parties. But Cyrus Vance was also there.

[Lavi] Yes. The Americans have not submitted any paper. They were passive at this stage. The foreign minister nevertheless said that we accepted the proposal raised for the agenda by the U.S. secretary of state. The agenda consists of three clauses. I will translate the English version literally. A) The declaration of principles that will guide the negotiations toward a comprehensive peace settlement in the Middle East. B) The guidlines for the negotiations concerning issues of the West Bank and Gaza Strip. Here, the foreign minister remarked that the Israeli terminology states "Judaea and Samaria" instead of "the West Bank." C) The components of a peace treaty between Israel and its neighbors according to the principles of resolution 242.

[Qital] Here we should tell you that this is the version accepted after the cabinet meeting the day before yesterday. This is the agreed version, on which we have already reported. However, this is the first time that we have heard an official confirmation of it. Mr Lavi, was the meeting planned to be so brief?

[Lavi] The meeting was planned to be practical; every party was to submit its ideas to the other, either verbally or in written form. Since we had not yet received an authorized Egyptian paper regarding their intentions, we needed to receive such a paper, and we have received it today. The Egyptians on their part received our paper. It is reasonable that every party should have enough time to examine and analyze for itself the position of the other party so that, in tomorrow's meeting, it will be possible to discuss both papers.

[Qital] We are talking about a meeting at 1500 tomorrow, a formal meeting. I understand that informal meetings are expected.

[Lavi] I do not know if you could call them meetings exactly. However, the foreign minister said that it is possible that in the coming 24 hours there will be informal contacts between the parties. The level of the contacts has not been determined or the number of participants.

[Qital] Naftali Lavi, do you know of a possible meeting between the prime minister and the Egyptian foreign minister?

[Lavi] What I know right now is that the prime minister is hosting the foreign ministers of the United States, Egypt and Israel together with their entourages at a dinner this evening. This is primarily an opportunity to meet. However, it is possible that there will be an additional meeting between the prime minister and the [Egyptian] foreign minister. Right now, I do not know.

Egyptian Spokesman's Statement

NC171328Y Cairo Domestic Service in Arabic 1230 GMT 17 Jan 78 NC

[Text] The meetings of the Political Committee stemming from the Cairo preparatory conference began in Jerusalem at 1100 today in the presence of the foreign ministers of Egypt, Israel and the United States, in their capacity as original members, and of Gen Ensio Siilasvuo, the general coordinator of the UN forces in the Middle East, in his capacity as an observer. The session was held under the chairmanship of Israeli Foreign Minister Moshe Dayan. The opening session of the Political Committee in Jerusalem lasted 18 minutes. It was then recessed to begin behind closed doors.

The committee's agenda was approved during the first working session. The agenda deals with: 1) the declaration of the principles governing the negotiations on a comprehensive settlement of the Middle East problem, 2) the broad lines of the negotiations on matters pertaining to the West Bank and the Gaza Strip, and 3) the elements of the peace treaties [mu'ahadat as-salam] between Israel and its neighbors in accordance with the principles of Security Council Resolution No 242.

The official spokesman of the Egyptian delegation has made the following statement: [begin recording] In his speech, Dayan tried to avoid some points which could cause differences. He tried as much as possible to ascribe to them a general form and a general charcter. It is my opinion that Vance's speech reflected what Carter said in Aswan Airport. Vance went as far as to reiterate the principles which Carter had earlier mentioned in his statement in Aswan. It is clear that all sides have tried, at least in their opening speeches, to avoid matters which could create problems from the start. This does not mean that these problems will not be raised. They will be raised, of course. We know that there are differences between the two sides and that this meeting is an attempt to overcome these differences.

Following the opening session and the exchange of speeches, it was decided to adjourn the session because the meeting place was transferred to another room. An opportunity was given to transfer the meeting place to another room. The first working session then began. Documents were exchanged: Israel submitted a document, and Egypt presented another document. The Israeli foreign minister then decided that it was better to adjourn the session to study these documents. The session will be resumed at 1500 tomorrow.

It is premature to express Egypt's view on the documents because these documents have not yet been studied. As for the speeches, they were, as I have said, general speeches outlining general concepts. The speech of the head of the Egyptian delegation, for example, clearly and precisely expressed our stand on the Palestinian question and naturally on the total and comprehensive withdrawal from the occupied Arab territories. We hope that the discussions will continue in an atmosphere of understanding and in light of the documents which have been submitted.

The Egyptian delegation and all the other delegations, I believe, say that the meeting will begin at 1500 tomorrow. This does not mean that there will be no peripheral bilateral or multisided contacts among the various delegations to facilitate the work of the committee when it meets again. [end recording]

Dayan Press Conference

TA171629Y Jerusalem Domestic Service in Hebrew 1415 GMT 17 Jan 78 TA

[Press conference given by Foreign Minister Moshe Dayan in Jerusalem following opening session of the Israeli-Egyptian Political Committee--live, in English--with superimposed Hebrew translations of portions of conference]

[Text] [Dayan] What we are doing is that we decided to have the next meeting tomorrow afternoon at 3 o'clock in order to give the parties an opportunity, to each one of them, to study the other party's paper and to see what are approximately the identical of them, what are not too far [apart], so that we may reach an agreement relatively easily through negotiations with some exchange of some words, and so on--and what are really representing the main gaps over which we have to negotiate and problably to look for new formulas--something like that. When I say "we," I mean, in this concern, also the representatives of the United States of America. They want it too [passage indistinct due to superimposed Hebrew translation] so the time is not really wasted, although there are now no meetings. Those will probably be informal talks. And as a matter of fact, today, in the late afternoon, some of the articles will be [word indistinct], some of the Egyptian delegations will start working by comparing the two papers concerning the declaration of principles for a peace treaty. And, of course, if any delegates or parties want to meet informally with the other during the time between today's and tomorrow's sessions, then we are all available for them. That's what I really wanted to say at the opening and to state once again things that we said before and I feel that I have to repeat it again.

Though we have presented our proposals, we have been saying right from the beginning that everything is negotiable, and it's absolutely the right of every party, each party, to put their own proposals and we would be discussing the other party's proposal, even if we do not agree with it, at which time I would listen to it, but to see whether we can compromise, come to alter, or whatever, what should be done in order to reach an agreement. The only thing that we do not really accept is a kind of ultimatum of take it or leave it. We mustn't do that. What we do accept willingly is that each party and Israel expects the Egyptian delegate should have absolutely free hands in submitting their proposals on every subject--it doesn't matter about withdrawal or any problem and any subject--and we would negotiate over their proposals, just as we expect them to negotiate over ours. And we would try to see whether we can reach an agreement, some kind of a compromise over the different proposals. Thank you very much.

[John McLean, Chicago TRIBUNE] I wonder if you could tell us if the question of Israeli settlements within the Sinai is dealt with in either the Egyptian or the Israeli text or draft of the agreement on principles that was offered this morning, and if it is not, I wonder if you can tell us where it will be dealt with in this current phase of negotiations and how important or what role do you think it will play here in Jerusalem?

[Dayan] It is not mentioned in neither of the papers. I may know something of the recent history of the proposals for the agenda. At a certain point we did suppose that the subject of the Israeli civilians, and by that is meant also the Israeli settlements in Sinai, will be dealt with on the agenda of the Political Committee. And that was not accepted by the Egyptian delegation; so we dropped it, and it is not there. It may be that indirectly it will be referred to within the principles of withdrawal from territory, but not specifically. It is not mentioned, though we were ready to discuss it specifically on the agenda. But once the Egyptians did not accept it, so it is not on the agenda here. Now whether that will be discussed or not in Cairo, in the Military Committee, I don't know, and I certainly have no objection that it would be discussed there if the Egyptian and the Israeli delegations there find it appropriate. But here it is not on the agenda and so directly; I don't think it will be discussed here.

[McLean] To follow that question, I'd like to ask what you can tell us about why the Egyptians do not want to discuss it here.

[Dayan] Well, I asked my colleague, the Egyptian foreign minister, to participate with me in this press conference. And he said he will do it in a few days' time, and I think that it will be perfect for you to ask him about it. And I really don't think that it would be fair of me to try, for me, to try to explain the Egyptian position.

[Unidentified questioner] Mr Foriegn Minister, this morning the Egyptian foreign minister said there will be no real peace for the house of Israel unless there will be an equal house there for the Palestine people.

[Dayan] I think that we should go into this question, and not just within this phase of the wording, but to go into the substance. Now we have presented in our proposals about self-rule, self-administration, and we don't think that a small group at friction with the nation should have an independent state. This is our attitude. But if the Egyptian delegation [words indistinct] or the representatives of the Palestinian Arabs would be participating in this meeting, and they would have different views about it and they want bring it like the Egyptians now to this table and to argue over it and to propose, to submit different proposals, we shall discuss it, of course, and negotiate over it and examine to see what exactly is meant by that.

Let me just say that within the Arab world that there are some different views about this, whether the Palestinian Arabs here would be linked with Jordan or whether they should have an independent state, and other proposals too. So, just to say that there will be no peace in the Middle East unless the Palestinian Arabs would have a house like Israel--it's a nice phrase. But if they, the Egyptians, have this attitude and this concept, let's sit down and discuss exactly what should take place in the Gaza Strip and Judaea and Samaria and whether they should be a state, independent, what the role and the rights of the Israelis should be in these spaces, whether the Israeli forces can stay or should be withdrawn from these areas, whether the Israelis, whether Jews, should have the right to have Israeli settlements there or not--not just a general phrase.

[Unidentified questioner] Mr Foreign Minister, there are reports that the Americans will be proposing that your concept of self-rule on the West Bank and Gaza Strip be viewed as an interim arrangement leading ultimately to greater self-determination for the Palestinian Arabs. Do you view this American formula as a possible way out of the impasse which has developed over the future of the West Bank and the Palestinian (?Arabs)?

[Dayan] I just read about it in the press, but I haven't heard anything about it yet from the American representative. I have been with Secretary Vance last night and this morning, and I haven't heard anything about it from him. Of course, whenever the Americans will submit their proposal, we shall study it carefully and discuss it with them and with the other parties. As for the moment, nothing like this proposal has been presented to us.

[Unidentified questioner] If it were, Mr Dayan, would you view it favorably?

[Dayan] Really, do you really think that I should discuss it with you before even the United States of America, with her representative, submitted it? And, I should take it from you that they are going to do it? They speak good English, and they haven't presented anything yet.

[Unidentified questioner] Mr Dayan, would you like your prime minister, Mr Begin, to resign rather than agree to give up the Israeli settlements in Sinai?

[Dayan] I wouldn't like him to resign, and I would like to keep my position. [laughter] And I think that we are in our position and the prime minister is in his position to fight for our position and not for resigning. As long as he has got the majority and the support of the parliament and the cabinet [words indistinct] for the objective that he is standing for.

[Unidentified questioner] Mr Foreign Minister, this morning you have stated that peace can be achieved through concessions and compromise, but just now you have said that you do not agree to withdrawal, whether full or partial, and you don't agree to the right of the Palestinians for self-determination. Can you tell us what kind of compromise you are ready to offer for the sake of peace?

[Dayan] This is not exactly an exact quotation of what I have just said. I said that we have our proposals, which we have presented in writing to the other party, that we are ready--and I repeat--that we are ready to negotiate, to discuss, to study and to see whether we can reach agreement along the other party's proposal too. So we do not say that just because we have presented certain proposals because of that we do not want to enter into negotiations over the other party's proposals; on the contrary, we do want--and that is really the whole object of negotiation--to sit down with the other party to study their proposals and to see whether we can come to an agreement. What I said this morning is that I believe that peace is not a substitute for war, but peace is an alternative for war and, basically speaking, is based on a compromise and concession, and this is our position as far as we are concerned. We are ready for compromises and for concessions and to submit to the other party proposals, and we do want to sit down with him.

[Unidentified questioner] What exactly, in your opinion, is a good concession for peace, Mr Dayan?

[Dayan] Oh, that's why the Egyptian delegation is here, that we would negotiate with them, and I am here to answer to questions but not to negotiate through questions here. And as soon as the Egyptian delegation will be through their study of our paper and we shall study their paper, we will be ready to sit down and to compare the differences between the two proposals and to negotiate over the differences with the Egyptian delegation, and they are not sitting in the press conference.

[Unidentified questioner] Mr Foreign Minister, can you give us an appraisal of the Egyptian foreign minister's opening statement this morning in the light of your own declaration that a peace settlement is an alternative and not a substitute for war? And in the negotiations behind closed doors, are there any signs of an Egyptian readiness to reach peace "by concessions, compromise and mutual agreement"--to quote your own words.

[Dayan] I really honestly think that is too early to come to conclusions about that. Now, the situation just now is that both parties have presented their proposals. Of course, what we have now on the table are two different proposals and the question whether the parties--the Israeli and the Egyptian ones--are ready to modify their proposals--their positions--will be found only after we can eliminate the differences and start negotiating on the differences. [as heard] Now only 2 hours ago we got their paper and they got ours, and we decided that tomorrow at 3 o'clock we shall meet again in order to see whether we can reach--or at least make some progress toward reaching--an agreement over the differences. Just now what we know is that the two papers, of course, are not identical and they can't be identical; there are two different approaches.

[Correspondent from Italian radio] In recent time, do you think that Egypt would agree on the fact on [words indistinct] up to Arab countries a proper separation of the so-called holy places for Moslem people? In the frame of your recent visit to His Holiness Pope Paul VI, would you please kindly tell us what do they mean when they say "including Jerusalem," and which would be the destiny of the holy places according to the Egyptian papers, because you are the only person [words indistinct]?

[Dayan] Before I say it's a good question--I don't mean your question is a good question--I think that the question about Jerusalem is a so-called good question. I have been asking it too--not of the pressmen but of some of our colleagues because the way that we heard it--more from King Husayn rather than from the Egyptian delegation--and actually the Egyptian delegation speaks here for the Palestinian Arabs and for the Jordanians. So the position of King Husayn is--he says that the old line and the sovereignty of Jerusalem should go back to Jordan. Now, that physically means that Mount Scopus, the Hebrew University, the Hadassa Hospital, that the Jewish quarter in the old city and the Wailing Wall and the Mount of Olives--all this should go to the Jordanian sovereignty because we lost it in the war of 1948 while we managed to take it back in the war of 1967. Now whether they really mean it--and that is what they say and I believe they mean it; they know the place, they are not foreign there, they can go around--but if they really do mean that because they managed by force to take the Jewish quarter in old Jerusalem and Mount Scopus with the Hebrew University and the Hadassa Hospital and it turned [out] to be under their control for 10 years, between 1948 and 1967--or 20 years--between 1948 and 1967--therefore, this is an Arab soil and now the Hebrew University and Hadassa and the Jewish quarter in Jerusalem should go to Jordan--even just the names of the places like the Jewish quarter in Jerusalem and the Wailing Wall--since 1947--whether this is a [word indistinct], a just solution, and this would be the only solution that would provide peace in the Middle East--this is a great question. That is what I meant by saying a good question. What really do they mean by that?

[Unidentified questioner] Mr Foreign Minister, [words indistinct] were as strongly worded as the foreign minister's statement?

[Dayan] The Egyptian foreign minister? Stronger. I cannot--let me say something about it--I cannot quote the Egyptian paper handed to us this morning. But it's not by far different--their position that was explained to us in Ismailia, and I refer you to what was said in Ismailia--this was not that confidential. So, for instance, the philosophy, the concept, is that Israel should go back from all the territories, including the Golan Heights, and that there should be the right for the Palestinians to have the right of self-determination [words indistinct] they themselves decide to have a Palestinian state. Now, I really am asking--questioning--whether really, when President as-Sadat says that we should rely with our security upon him--upon President as-Sadat and I am sure that he says it honestly, and I believe so--can he assume responsibility for the Golan Heights and for the attitude of the Syrians under the present circumstances and to tell us officially in a very strong wording that we have to get off the Golan Heights without worrying about our security in the future and that he, President as-Sadat, for whatever President al-Asad thinks of him and speaks of him, that he can assume responsibility entirely for Israel, for our settlements in the northern part of Israel, if we get off the Golan Heights?

And just talking about the Palestinian state--I am not questioning the right of people to take part and decide over their future, but this is not the only question. It is a fact that if we speak about the Gaza Strip, we asked the mayor of Gaza, when President as-Sadat was here, to be with the people that went to meet President as-Sadat and he refused and he told us that he cannot do anything like that unless he got the green light from the PLO, which he did not get. And now I hear in the papers that all the mayors of the West Bank signed a letter saying that only the PLO is really authorized to speak for the West Bank. Now, if there is an independent state here in the West Bank and in the Gaza Strip and if that would be run by the PLO with their concept about our future--and they haven't changed if since the resolution of the last (?congress)--can President as-Sadat, who asks very firmly and in very strong wording for the rights of the Palestinians for self-determination--which might be a Palestinian state--can he or anyone assure us what attitude the future Palestinian state run by the PLO would take against Israel? So what I can say is only about the Ismailia talks and about the paper here that is not by far different from the Ismailia position presented to us by the Egyptians. And some of the questions we want to discuss with our Egyptian colleagues, but we do accept their paper as representing their position that should be discussed and dealt with just like our paper--on equal footing--during the meeting, and that is what the Political Committee is for--to discuss all the proposals, theirs and ours--whatever we think or question about it.

[Jay Bushinsky] Mr Dayan, how can you explain the apparent contradiction between, first, offering to return all of Sinai to Egyptian sovereignty--withdrawing the Israeli troops--and then wanting to keep Israeli settlements in Sinai as well as access to the airfields there?

[Dayan] When we presented our plan, our concept of the role of Sinai within a peace treaty, it was not divided into parts. It was a comprehensive plan in its entirely, and there it was composed with a buffer zone, with a demilitarized zone, with the Israeli settlements staying where they are with the UN force--with the UN flag and control over a certain area--with what should take place in Sharm ash-Shaykh and so on.

And the way that we took it and still take it is that this plan, we thought, should be acceptable by the Egyptians that included the sovereignty of the Egyptians but not excluding or removing the Israeli settlements or not allowing Israeli civilians to stay in Sharm ash-Shaykh and with some arrangements about the military airfields and so on.

This is a concept that you can take it or you can try something else. Now, the something else that was really advocated, and by the Israeli Government all through the years, was that we should not go back to the old lines and that that area that includes now the Israeli settlements and Sharm ash-Shaykh--all along the international boundary up to the Mediterranean--should change hands and become part of the Israeli side. That was the old concept. And what we tried after the bold move of As-Sadat and his special position now was to say that maybe he would agree--and that might satisfy our security needs--to do with even less than wanted in the past, even though the 242 Security Council Resolution does not force us to go all the way back from the territories--and this interpretation is accepted by the United States of America--that 242 does not mean that Israel has to go from these territories--and that we have to provide Israel with secure boundaries and that changes in the territories--in the international boundaries--can be (?made). So it is one of the two--either we insist on our interpretation of the 242 and ask for changes in the international boundary about sovereignty, or we will try to do something like this [words indistinct] then this is based on the agreement of the party--of the Egyptians--that they would agree for special arrangements and an agreement if they are sovereign over Sinai. Then, by being sovereign they have the right to agree--to make agreements--about what will take place there--if they will agree that in a certain spot there there should be special arrangements by their agreement, without changes in the international boundary. I am not saying that they have to make a choice--either number one or number two and that's all; they can propose other arrangements or other solutions--whatever they (?propose), even their present proposal that there would be a full, complete withdrawal of the Israelis--civilian and military--it's their right and we should negotiate over it.

But answering your question--how can we propose it--what I am saying is that we will propose [word indistinct] Mrs Meir, Mr Rabin and Eshkol's governments--I served in some of them--and that was the position of the Israeli concept--that we should not back to the old line and that was specifically said about the Sinai boundary, that the area including Sharm as-Shaykh to the Mediterranean would change hands and become part of Israel. Does anyone think that President as-Sadat would have preferred that to what we have just suggested? Now, would that be easier for him to accept or more acceptable by him? I doubt it.

[John Dickey, London DAILY MAIL] Mr Vance said this morning that the solution of the Palestinian question requires Palestinians to participate in determining their own future. In specific terms, what do you see by such participation in determining their future [word indistinct]?

[Dayan] We have agreed, and even initiated--and I would like everybody to remember it; there is a lot of things about me that I do not insist that would be remembered and they are remembered--but when we negotiated with the representatives of the United States of America in New York the so-called working paper for the Geneva peace conference, it was our suggestion that negotiation over the West Bank and the Gaza Strip--this negotiation--the working group for that should include the representatives of the Palestinian Arabs, even though they are not mentioned in Resolution 242. Nothing is said in 242 about the Palestinian Arabs; they are not a party there.

But we said that although all the parties accepted that the basis of the negotiation for the Geneva peace conference should be the Resolutions 242 and 338--and in spite of the fact that the Palestinian Arabs are not mentioned there--we suggested, we--Israel--suggested that the working group discussing the issues of the West Bank and Gaza should include the parties--which are Egypt, Jordan, Israel and representatives of the Palestinian Arabs--and this formula is what we took to Ismailia. That is to say that if Jordan and the representatives of the Arabs residing in this area would participate here or in the Cairo conference, that they should be included in the party negotiating about the issues--if you want to call it the future involving the solution of the Palestinian Arabs--then they should be in that working group. It should not be done without them, if they care to come and sit down with us. We can't force them. If they don't want to sit down, if they want to stay up, then we have to submit our own proposals. But that is what is meant by that.

[Unidentified questioner] With reference to Mr Bushinsky's previous question about the Sinai, would Israel be willing to consider adjustments of its southern border in exchange for adjustments in the northern Sinai?

[Dayan] We haven't proposed anything like that, and we would consider any proposals including such a one, if it will be proposed by the Egyptians. We would consider all proposals made by the Egyptians. We did not submit such a proposal, and I don't think that we shall. But if President as-Sadat or the Egyptian delegation would come out with such a proposal, we shall discuss it like we would discuss any other proposal submitted by them.

[Unidentified questioner] Mr Minister, could I just ask you, going back one question, whether you accept the three points as set forth by Secretary Vance this morning?

[Dayan] What are the points?

[Question] On true peace, on (?borders) and Palestinian participation.

[Dayan] We have our own words--sometimes our own language--and I just said our concept about their participation which, in point of fact, was agreed to by the United States of America--about this working group. And with all the other, we have our own formula which is not identical with the American. But we would be ready to discuss the American concepts, too. It is not our concept, but we shall not reject it offhand, and we would be ready to discuss their proposal like we're discussing the Egyptian proposal.

[Unidentified questioner] Has the Egyptian position as originally stated by President as-Sadat in the Knesset undergone any compromise or changes as a result of the past weeks of negotiation?

[Dayan] You asked if there is any change in President as-Sadat's position?

[Question] I said: Has the Egyptian position, as originally stated by President as-Sadat in the Knesset when he came, has it undergone any changes as a result of the past weeks of negotiation?

[Dayan] I really don't know, and what I can really say is about what I think and take to be their position according to what they say and give me in writing at this committee, and I referred to that. And I wouldn't like to feel like making comparisons between their present position and President as-Sadat's speech in the Knesset, not for me today.

[Israel radio correspondent] It is possible, with your permission, to ask one question in Hebrew for the Israeli audience?

[Dayan] I'll try to answer it.

[Correspondent--in Hebrew] During the past few days, until the convening of the Political Committee, has anything changed in the Egyptian position? Since Ismailia and up to now, have we learned anything new about the Egyptian position?

[Dayan--in Hebrew] I think so, and more than something--and postively--in their acceptance of the proposal for the agenda as compared with their proposals and demands as proposed in Ismailia. [Dayan continues in English] The question was whether I had noticed any change in the Egyptian position since the meeting in Ismailia and now, and I said that I think that there is a change--even a major one--for the better from our point of view and this is by the Egyptians' being ready to accept the agenda the way it is now in comparison with their position during the Ismailia time. At that time I think that they were far away from accepting such an agenda and as a matter of fact, their draft proposals for an agenda were a very different one from the present one which they have accepted.

[Ibrahim Dravis] I am a Palestinian from the West Bank. My name is Ibrahim Dravis from AL-QUDS paper. You say that you want concessions while really you want the concessions from the occupied Arab lands. You say that everything is negotiable while you say that you will not withdraw totally or partially from the occupied territories, you will not agree to self-determination for the Palestinians, you are not going to leave the settlements, you are not going to leave Jerusalem. You say now, Mr Dayan...

[Dayan] Could you please ask questions like that, one by one, and I'll answer them, please.

[Dravis] You said just now that the Tripoli conference has done [word indistinct] and you said now that you are not ready and the Israeli Government is not ready to allow an independent state in the West Bank and the Gaza Strip led by the PLO. But what did you offer to President as-Sadat, who came and visited you? What did you offer to the Jordanian Government before the Rabat conference? My question after that: Do you really--the Israeli Government--want peace or just playing with words and negotiate and negotiate forever?

[Dayan] If the question was--to make it clear--what we proposed in past until now to Egypt and to Jordan about the West Bank--is this the question? Now to Egypt let me just mention two proposals made by us. It so happens that both of them were initiated by me. In 1957 after the Suez campaign when we took over Sharm ash-Shaykh and before we withdrew from there we proposed--I talked to the Israeli prime minister at that time, Ben-Gurion--that we should suggest that it would not be the United Nations forces but the Egyptians that would take back Sharm ash-Shaykh and we would pull out all the way, provided that the Egyptians would promise--not even within a peace treaty, just promise--that they would allow free Israeli navigation through the Straits of Aqaba--the straits of Sharm ash-Shaykh--and the answer of the late Egyptian President 'Abd an-Nasir was that he cannot even order Egyptian soldiers not to shoot at Israeli shps passing by there--just like that.

And he preferred that it would be United Nations forces because he said he cannot permit Egyptian soldiers to see Israeli ships going through the strait without opening fire on them. So that's what we proposed, and that's what was the answer in 1957.

Ten years later--in 1967, after the war when we took the entire Sinai--we proposed to the Egyptians and to the Syrians that we withdraw from Sinai and from the Golan Heights with some security arrangements within a peace treaty. At that time we said that we would do that within a peace treaty and including appropriate security arrangements for Sharm ash-Shaykh and for the forces in the north. And the answer of both Syria and the Egyptians was the same. The Egyptian President, 'Abd an Nasir's, answer was to call for the summit meeting of the Arab leaders in Khartoum, and the answer that we got through the Americans--Eugene Rostow was the under secretary of Dean Rusk at that time--he passed the message from 'Abd an-Nasir--no peace with Israel, no negotiations with Israel and no recognition of Israel. That, Sir, for your information, just in case you don't know it, which I am not sure.

About the West Bank: For 10 years we negotiated with the representatives of the Jordanian Government over the Allon plan which said: Let's divide the West Bank in such a way that we will keep part of it as part of Israel--the Jordan Valley for our security and the populated areas will go back to Jordan--and the answer was totally unacceptable: You would have to withdraw to the last inch, including east Jerusalem, as we discussed before. And we will not share or divide or split the West Bank in any kind of way, not even east Jerusalem, not Gush 'Eziyon, nothing whatsoever. So after 10 years of such negotiations we do not feel that there is any reason to come again with the idea of division of the West Bank. And the position of the Jordanians, and I suppose of the whole Arab world, is that no piece of the West Bank or of the Gaza Strip should go to Israel, but a full withdrawal, including the east part of Jerusalem, should go back to Arab sovereignty.

[Unidentified questioner] Mr Dayan, Sir, I have two connected questions on Israeli settlements in Sinai. First of all, on what do you base your claim for Israeli settlements in Sinai? Is it for additional security and, if so, can you explain what additional security it gives? Secondly, you made, in the last few days, two conflicting statements about the settlements in Sinai. In Italy you said that the settlements could be removed. Yesterday you stated that Israel doesn't need Egyptian permission to be in Yamit.

[Dayan] I understood--I heard clearly the first question--what is the value for security of the Israeli settlement in Sinai. Was that the first one? And what was the second one? I am sorry, I couldn't hear.

[Question] The second question was about two statements you made in the last few days--one in Italy, that settlements won't be a problem in Sinai; they could be moved or removed if necessary.

[Dayan] When did I say it?

[Question] I think for Italian television.

[Dayan] I'm sorry, I didn't refer to settlements during the last days, and certainly not to the settlements in Sinai. Anyway, let me answer the first question. I did say in the past--and I repeat it now--that we negotiate the boundaries; the boundaries would not be decided by the settlements, and if it so happens, anyway, that boundaries--the boundaries agreed upon by Israel with its Arab neighbor--would leave some Israeli settlements on the Arab side, whether we would come to an agreement that they would stay there under the Arab sovereignty or that we would remove them. That's what I said. As a matter of fact, what we proposed about the settlements in Sinai, as everybody knows, was that they would stay there while the sovereignty of the Egyptians would be over Sinai.

But I wanted to try to say again about the value of security, and I will not make the whole speech again. We have a concept of Sinai that says that the main part of the desert should be a buffer between Egypt and Israel. [words indistinct] desert should hold no forces--either be demilitarized, or hold [word indistinct] forces or symbolic forces or whatever it is, but the Egyptian forces should stay close to the Suez Canal while the Israeli forces be on our side and the desert should be divided between the two and be a kind of a buffer between the two--some kind of control either supervised by the UN or a mixed commission or whatever it is.

And within this context, under the Israeli plan, there are a couple problems or problematic points. Number one is Sharm ash-Shaykh. And others--there are a few existing Israeli military airports--and that area of Rafah which is between Al-'Arish and the Gaza Strip where the settlements are. And we think that for the security of Israel special arrangements and a special regime and a special agreement should be done and agreed upon for these places--for Sharm ash-Shaykh, for the settlements, for the area between Al-'Arish and the Gaza Strip. And, just as an example, had there not been Israeli settlements but Israeli forces there, had we been saying that there should be an Israeli military unit stationed there staying forever, with Al-'Arish on one side and the 400,000 Arabs of the Gaza Strip, would that be any better; or a change in the international boundary so that all of that area--Sharm ash-Shaykh and Rafah--would go to Israel and that the Egyptian boundary would be westward about 30 or 40 or 50 kilometers closer to Al-'Arish, not that Al-'Arish would be included in the Egyptian territory--which was the Israeli concept all the time. Now, just now, it's the Israeli settlements there, but it's Sharm ash-Shaykh, too, and I suppose everybody here knows of the special value and sensibility and sensitivity of Sharm ash-Shaykh. This is really the spot that we went to war about three times because it was closed for Israeli navigation. So this area is a problematic area, and we have to find a solution for that if we are talking about a durable peace there.

It includes different elements--settlements in the northern parts, Sharm ash-Shaykh in th the south--and this has got to do with the military airfields. And we want to discuss it with the Egyptians to find an agreed arrangement for that. It can be a change in the boundary like the old concept that all the area would go over to Israel. There can be something to do with UN having control over the area with Israeli Jews staying there; and if the Egyptians have other ideas, we want to discuss it. We cannot ignore the special question of that area.

[Unidentified questioner] Mr Dayan, it is being speculated that the negotiations are, in reality, deadlocked and are in serious danger of breaking down. Can you comment on that?

[Dayan] We have not even reached the deadlock yet. [laughter] We have just started this morning; there is no deadlock. That doesn't mean that we are all doing wonderfully well. This morning, as I said, we presented the working paper; we want to study each other's papers, to meet again tomorrow afternoon and see how do we go from there.

[AL-AHRAM correspondent] Mr Dayan, you have just challenged the competence of President as-Sadat to give security to Israel concerning the Golan Heights. What is your position on Sinai when you ask for settlements in Sinai, airports, Sharm ash-Shaykh and other arrangements. In the meantime you have spoken about the 1956 campaign. Was 1956 a war of aggression against Egypt or was it also a (?defensive) war?

[Dayan] The question was 1956--was that an aggressive war--or 1967?

[Question] 1956.

[Dayan] I was there. In 1956 the waterway to Sharm ash-Shaykh was closed to our ships, and no Israeli ship could go through Sharm ash-Shaykh because the Egyptians wouldn't let them go. So we waged a war to open the waterway there and--Ben-Gurion was our prime minister at that time--although we collaborated with the French and with the British, and whoever is interested can find it out in my book--it's a good book--all the details about how to [word indistinct], but the instructions that we got from the prime minister was not to go close to the Suez Canal and he told me--I was the chief of staff at that time--this is not our war and not our battle. We have one problem and one problem only; to open up the Strait of 'Aqaba for Israeli ships. But I want you to know that more than 80 percent of our oil comes from the Persian Gulf, and we cannot really go on with our lives when the waterway there is closed to our tankers.

So that's it. Whoever closes the waterway there to our ships is forcing us to go and open it up. (?There is no other way.) [indistinct shouts as correspondents attempt to get in another question-- Dayan continues] Please, I now feel like answering another question about security measures that I am asking in Sinai. What I am saying, Sir, is that we have presented our proposals but we are ready and willing to negotiate over other and different proposals submitted by the Egyptians. And there is a military delegation going to Cairo to discuss it to try and find a way to satisfy both parties, and as far as the Political Committee is concerned, we shall do it here, too. So if it is a military consideration, let it be (?discussed) in Cairo, between [words indistinct]. We have our proposals, but we are not going to say: This one is the only one that should be considered; on the contrary, we want to consider the Egyptian proposals and try and negotiate to find a compromise, something that would be acceptable by both parties.

[Jamil Hamad] Give 5 minutes for the Palestinians please. My name is Jamil Hamad. I am a Palestinian from the West Bank. I have two questions. The first one: As far as I know--and everybody knows that you have conducted secret talks with his majesty the Hashemite king of Jordan, and you have spoken to the Egyptians--what is the difference between the Egyptian and Jordanian proposals regarding the West Bank? And secondly, what is your position regarding the American proposal regarding the UN trusteeship of the West Bank and Gaza Strip?

[Dayan] To start with, I met with the grandfather of the present king [laughter], with King 'abdAllah at the time and negotiated with him, and we actually found an initial agreement for peace between him and Israel. And then he was assassinated with lots of honor--just guess why--and the Egyptian president is stressing it that he is not the representative to speak on behalf and for the Palestinian Arabs or for Jordan. But he wants the Israelis to give a declaration which [words indistinct] on behalf of the Palestinian Arabs or on behalf of Jordan and it is up to them to come and negotiate for themselves. But the problem and the tragedy is that none of them--either King Husayn or his Arabs--are coming, and I'm not talking about the Political Committee here but even to Cairo they (?are not coming). And our problem just now about it is not that we do not agree about the soluton but that we have no partner to negotiate with [words indistinct].

Kamil Refuses To Take Part

NC172054Y Cairo MENA in Arabic 2039 GMT 17 Jan 78 NC

[Text] Jerusalem, 17 January--Egyptian Foreign Minister Muhammad Ibrahim Kamil excused himself from taking part in the press conference with Israeli Foreign Minister Moshe Dayan held this afternoon. MENA had learned that this attitude is the result of the Egyptian side's desire not to enter into public arguments that might impede progress toward the objective expected from the meetings of the Political Committee.

Arens on Kamil Remarks

TA171242Y Jerusalem Domestic Service in Hebrew 1200 GMT 17 Jan 78 TA

[Text] The head of the Knesset Foreign Affairs and Security Committee, Moshe Arens, has expressed disappointment with the opening speech of the Egyptian foreign minister in the Political Committee. Arens does not view the Egyptians as having a sincere intention to progress toward peace. In his opinion, Israel has gone a long way since its opening positions, and its proposed plan constitutes an act of meeting the Egyptians half way. For the time being, however, they adhere to the opening position.

Arens said that he views as extremely important the success of the deliberations of the Political Committee, which is dealing with substantive issues. Without real progress in this committee, he said, it is doubtful that the Military Committee will be able to deal with the technical matters pertaining to the stages of the security arrangements with Egypt.

Vance-Kamil Meeting

NC171350Y Cairo Domestic Service in Arabic 1230 GMT 17 Jan 78 NC

[Text] Muhammad Ibrahim Kamil, foreign minister and head of the Egyptian delegation, held a 30-minute meeting this morning with U.S. Secretary of State Cyrus Vance.

The radio mission in Jerusalem has learned that Muhammad Ibrahim Kamil stressed to the U.S. secretary of state during this meeting that Egypt is interested in finding a just and lasting solution to the Middle East problem and that the declaration of principles must include withdrawal from all the territories and must include the right to self-determination. He emphasized that the time element is important and that there should be no entering into labyrinths which lead away from the real objective, which is a just and comprehensive peace in the area.

U.S. Secretary of State Cyrus Vance affirmed that the United States will play an active role in the efforts being made to promote peace in the Middle East. He added that he is aware of the difficulties facing the sides and that the matter requires time. The United States, he said, is committed to what U.S. President Carter said after his meeting with President as-Sadat in Aswan. The Egytpian foreign minister and the U.S. secretary of state have agreed to maintain continuous contact.

Meanwhile, the parties taking part in the Political Committee meetings are holding bilateral consultations before the committee resumes its meetings tomorrow.

Begin-Kamil Meeting

TA171728Y Jerusalem Domestic Service in Hebrew 1700 GMT 17 Jan 78 TA

[Text] Prime Minister Menahem Begin has conveyed, through Egypt's foreign minister, a message with a cordial greeting to Egyptian President Anwar as-Sadat. Our political correspondent reports that at the end of a meeting, which lasted approximately 45 minutes, Egyptian Foreign Minister Muhammad Ibrahim Kamil said the talks were held in a spirit of frankness to achieve a comprehensive peace agreement.

Prime Minister Menahem Begin said that the talk was very good. It is known, of course, that there are differences of opinion between us, the prime minister said, but despite this, we shall handle the problems with mutual respect and with a degree of patience and understanding.

Cairo Radio Report

NC171929Y Cairo Domestic Service in Arabic 1830 GMT 17 Jan 78 NC

[Text] Israeli Prime Minister Menahem Begin met with Egyptian Foreign Minister Muhammad Ibrahim Kamil at 1730 today at the request of the Israeli prime minister. The meeting was attended by Dr Butrus Ghali, the minister of state for foreign affairs. The meeting lasted about an hour during which the situation in general was discussed. The two sides also previewed what has been accomplished so far.

The Israeli prime minister asked the Egyptian foreign minister to convey a verbal message to President Anwar as-Sadat.

The two sides also reviewed the latest statements, and they agreed that the two sides should make fewer statements in order to promote efforts to achieve peace in the Middle East.

The radio team in Jerusalem has learned that the delegation of the Arab Republic of Egypt has adopted a serious position and that it is adhering to the principles announced by President as-Sadat. These are the achievement of a comprehensive and just settlement of the Middle East crisis based on total Israeli withdrawal from the Arab territories and the right of self-determination for the Palestinian people.

Egyptian delegation sources have stressed the importance of U.S. participation.

The Egyptian foreign minister will hold a meeting with the U.S. secretary of state at 1100 tomorrow within the framework of the bilateral consultations prior to the resumption of the meetings of the Political Committee tomorrow afternoon. The radio team has learned that the subject of discussion tomorrow will be the declaration of principles for achieving a comprehensive settlement.

Meanwhile, Dr Ismat 'Abd al-Majid, member of the Egyptian delegation, met this evening with Alfred Atherton, the assistant U.S. secretary of state. They discussed the latest developments in the situation after the start of the meetings of the Political Committee and in the light of the statements made by the foreign ministers of Egypt and the United States.

A responsible source in the Egyptian delegation has affirmed that the Egyptian working paper which was submitted to the Political Committee today contained Egypt's basic positions, which are the need for withdrawal from all the Arab territories and achievement of the legitimate rights of the Palestinian people.

The Egyptian delegation held a meeting after the first working session under the Egyptian foreign minister during which the delegation made a thorough study of the working paper Israel submitted to the committee. It drew up the Egyptian views in the light of the directives of President as-Sadat.

The Egyptian delegation is maintaining constant contact with Cairo to brief President as-Sadat on the results of the meetings.

Working-Level Contacts Begin

TA171810Y Jerusalem Domestic Service in Hebrew 1700 GMT 17 Jan 78 TA

[Text] Prof Aharon Baraq and Me'ir Rosenne and jurists from the Egyptian Foreign Ministry are now meeting in Jerusalem to compare the two documents which Israel and Egypt exchanged in the Political Committee this morning. Our correspondents Yo'el Nir and Pinhas 'Inbari report that the two delegations are now attempting to locate the differences and define them.

Egyptian delegation sources told our correspondents that meetings at the level of experts will also take place tomorrow, until the resumption of the official session at 1500.

The Americans are not taking part in the contacts at this level, but an Egyptian source told our correspondents that U.S. involvement at the conference in Jerusalem is much greater than it had been at the preparatory conference in Cairo.

Begin Hosts Banquet

TA172040Y Jerusalem Domestic Service in Hebrew 2000 GMT 17 Jan 78 TA

[Text] A festive dinner is now being given by Prime Minister Menahem Begin at the Jerusalem Hilton in honor of the Political Committee participants. Taking part are the foreign ministers of Israel, Egypt and the United States; Israeli cabinet members; senior officials from the three delegations, and members of the U.S. Congress who are in Israel.

Our political correspondent reports on behalf of the diners that the atmosphere is very good. A senior Egyptian official said: There is no doubt that such a good atmosphere has a serious influence on the substantive talks. A senior U.S. official told our correspondent that in his view the talks would take a long time and that ups and downs are still in store concerning prospects for the talks to succeed.

No alcoholic drinks are being served at the dinner out of consideration for Moslem guests. Orange Juice and grape juice is being poured instead of wine. Dr Ismat 'Abd al-Majid, head of the Egyptian delegation to the Cairo conference and member of the Egyptian delegation to the Political Committee, raised a cup of juice and proposed a toast to a life of peace.

Kamil Angered by Begin Remarks

LD180542Y Jerusalem Domestic Service in English 0500 GMT 18 Jan 78 LD

[Text] The momentum of statement and counterstatement was maintained last night at a banquet given by Prime Minister Begin in honor of the visiting Egyptian and American delegations. Begin said there could be no peace agreement if Israel returned to the fragile pre-1967 borders, and there could be no peace if Jerusalem were again divided.

Begin admitted that he was using a negative formulation, as had been used by the Egyptian foreign minister in his arrival statement at Ben-Gurion Airport. However, Begin said, he preferred to speak positively. There would be peace when each side respected the other's principles.

Begin warned that the concept of self-determination should not be used incorrectly. Its misuse in the 1930's had launched destruction in Europe.

The prime minister's reference to the rise of Nazi Germany brought an angry response from the Egyptian foreign minister, who criticized Begin for bringing his work to what he thought was going to be a relaxed and social evening. The place for discussion, said Kamil, is in the Political Committee. I will keep my ideas until then. Kamil then sat down without offering the traditional toast to peace.

Also speaking at the dinner, U.S. Secretary of State Cyrus Vance said progress could only be made through hard work and a demonstration of flexibility by both sides.

Vance is scheduled to meet this morning with Israeli and Egyptian foreign ministers in advance of the reconvening of the Political Committee at 3 o'clock this afternoon.

Press on Political Talks

TA180734Y Jerusalem Domestic Service in Hebrew 0505 GMT 18 Jan 78 TA

[Review of morning press editorials]

[Excerpt] First, reactions to the opening of the Political Committee's discussions in three editorial headlines. DAVAR: "A Seed of Hope in Spite of Pessimistic Forecasts"; HAZOFE: "Dispute Over Basic Points"; HAMODI'A: "Great Patience Needed."

DAVAR writes that the Jerusalem conference has been stripped of euphoria. This is unlike President as-Sadat's trip to Jerusalem and the Ismailia conference. All the sides, and the public as well, are aware of the enormous difficulties on the way to realization of the aspiration to peace. Maybe it is just in this awareness that a seed of hope lies hidden, in spite of the pessimistic forecasts of crisis.

The Jerusalem POST says that the first reports provide a basis for believing that it is still possible to bridge the gap. Egypt and Israel must immediately begin practical discussions. In order to begin such a process, the Egyptian side must overcome a number of difficult psychological obstacles. The Israeli side must also struggle with a number of enormous self-made difficulties.

'AL HAMISHMAR writes that the fact that the Political Committee has, in one way or another, overcome procedural problems is still not the end of the line. The end of the line lies in an agreement on issues of substance. It is essential to prevent, if possible, the collapse of the conference or the disturbance of its processes in a way which would not be of benefit to Israel. It seems, therefore, that the end of the line lies in Israel's willingness to make proposals which will pave the way for Jordan to join the negotiations.

In HAZOFE's view, it may be assumed that the Military Committee's discussions will be renewed in Cairo tomorrow and will be conducted in the shadow of the political discussions in Jerusalem. Without overcoming the differences of opinion over the basic points, there is no great value to the discussions on military affairs, because they are not necessarily related to the results of the political issues. All this indicates that, in the joint committees, it will be very hard for the sides to overcome the differences on substantive issues, and the discussions will be mainly concentrated on breaking the ground for a meeting between the leaders of Israel, Egypt and the United States.

HAMOD'IA thinks that hope is not lost and that nobody wants to miss the opportunity--an opportunity which will not return so quickly. We learn this from the fact that both sides are prepared to exhaust every possibility, every chance, even an outside one, to invest effort and to advance the dialog.

'OMER writes that Israel began with very great concessions, maybe too great. The leaders of Israel must take this into account and not make any more concessions, at any rate, not at the expense of Israel's security.

Papers View Begin Speech

TA18092RY Jerusalem Domestic Service in Hebrew 0900 GMT 18 Jan 78 TA

[Review of afternoon press editorials]

[Text] Both papers write about the prime minister's speech at the dinner he gave last night in honor of the delegations taking part in the Political Committee.

YEDI'OT AHARONOT says Mr Begin's remarks were certainly appropriate in spite of the Egyptian's protests. Had he not clearly replied to them that we completely rejected their demand to redivide Jerusalem and to return to the 1967 borders, the mistaken impression would have been created that we had accepted those demands.

MA'ARIV says that it is not to be assumed that the Egyptians and the Americans were surprised by the prime minister's remarks. They only showed the gap between the basic positions of the sides--a gap which is creating enormous difficulties for negotiations.

DAYAN SAYS CABINET HAS ONLY ONE PEACE PROGRAM

TA171246Y Tel Aviv MA'ARIV in Hebrew 17 Jan 78 p 2 TA

[By Yehoshu'a Bizor]

[Text] Foreign Minister Moshe Dayan said yesterday to the members of the Knesset Foreign Affairs and Security Committee that the cabinet has no alternate program apart from the peace program it presented to Egypt and to the Americans. He stressed that this was the only peace program. The foreign minister reported to the Foreign Affairs and Security Committee about the diplomatic events over the last 2 days, which placed the holding of the debates of the Political Committee in Jerusalem in doubt.

Minister Dayan explained that Israel and Egypt together agreed to change agendas under pressure of U.S. mediation. In his view, the negotiations would now move forward only with the active mediation of U.S. Secretary of State Cyrus Vance. However, the foreign minister emphasized, in these negotiations we could not be faced with faits accompli. From the foreign minister's remarks it was possible to understand that, for the moment, he was not particularly optimistic about the chances for the success of the political negotiations opening in Jerusalem today. Today Defense Minister 'Ezer Weizman, will report to the Foreign Affairs and Security Committee about the debates he held last week in Egypt in the context of the Military Committee.

WORK BEGINS ON HOUSES IN N. SINAI 'STRONGHOLDS'

TA180636Y Jerusalem POST in English 18 Jan 78 p 1 TA

[By POST Reporter Zvi Arenstein]

[Text] Moshav Haruvit--Workers have begun building fibreglass houses on three separate sites along a new dirt road stretching south from the area of Moshav Haruvit, 10 kilometres east of Al-'Arish.

This was reported to the Jerusalem POST last night by a source directly involved in development work at these sites.

The sites are about two kilometres apart and ground is being broken at a fourth site on the same road, the source said.

So far one house has been finished on each of the first three sites and a water tank has been erected. The source said the houses are made of light-weight fibreglass and measure about five to six metres by four metres. He said that the walls form one big room which is to be divided later by interior walls.

The source also indicated that similar work has begun east of Moshav Haruvit on a road that leads to the Haruba Beach.

Another informed source said last night that the building was part of a plan to erect 22 "strongholds" around settlements in the Yamit area. The source said that the plan--which was discussed by Agriculture Minister Ari'el Sharon and Ra'anan Weitz, head of the Jewish Agency's settlement department in Yamit on January 6--was part of Prime Minister Menahem Begin's overall peace plan which has been presented to the Egyptians.

The source added that eight of these strongholds have already been built.

David Nahmias, administrator of the southern project and the Yamit settlement region, said last night that he knew nothing about work east of Haruvit or about the four strongholds along the new road south of the Moshav. Weitz also said he knew "nothing at all" about the new sites.

Last week the POST reported that work was being conducted in three areas near the moshav, one to the west, one to the east and one to the south, where houses were being built.

In another settlement drive in the Sinai, the Southern Sinai Development Administration and the Housing and Construction Ministry offered in a newspaper advertisement 66 plots of land for sale in Ophira (Sharm ash-Shaykh). Headlined "Build Your House in Ophira," the advertisement offers plots of 450 square metres each upon which buyers can build their own homes. A Housing Ministry spokesman said last night he did not know how many persons had signed up for the new project.

SHARON CALLS SETTLEMENTS PART OF PEACE PLAN

TA181015Y Jerusalem POST in English 18 Jan 78 p 2 TA

[By POST Knesset reporter]

[Text] Agriculture Minister Ari'el Sharon said yesterday that the Jewish settlements across the green line are an integral part of the peace plan that Prime Minister Begin submitted to Egyptian President Anwar as-Sadat.

These settlements constitute Israel's security belt, and if they had not existed the government might not have been able to present such a peace plan. It is the settlements that make possible the government's "political flexibility," he said.

Sharon way replying in the Knesset to five motions for the agenda on "settlement beyond the green line."

He specified the settlements that now exist "in the Golan Heights, in Samaria and Judaea, in the Jordan rift. in the Rafah approaches, in Santa Katherina, and along the Gulf of Elat to Sharm ash-Shaykh."

People are beginning to talk as if the settlements are an obstacle to peace, Sharon said. In fact, they are an essential ingredient of Israel's peace plan, he said. The residents of the Rafah approaches are not there to grow tomatoes, they are there as part of Israel's national security conception.

In order for Tiberias and Safad to live in security, it is necessary that Merom Golan, 'En Zivan, Qeshet and Ramat Magshimim be on the Golan Heights, he said, giving further examples.

Sharon explained that he did not mean the settlers in these places were meant to stop armies; they were meant to "stop erosion, to prevent gradual retreat that is not the result of war." For them to be able to do this, they must be strengthened, he said.

Sharon quoted the cabinet decision of January 8, as announced by the government secretary, "to strengthen the existing settlements in the Rafah area and along the eastern coast of Sinai by extending the land available for cultivation and increasing the civilian urban and rural populations. These civilian settlements will remain where they are, as proposed in the Israeli peace plan, and in line with arrangements brought to the notice of the president of Egypt at the Ismailia meeting."

It is in the spirit of that decision that settlement activities have been, and will be, undertaken, Sharon said.

He sharply rebuked the Israeli press. In the past two weeks he was shocked by the media reports and articles on settlement activities, he said.

"So much distortion, so much ill will, such a powerful passion to publish, to get a scoop--with the national interest shunted aside."

Even more appalling, Sharon said, were the dispatches of Israeli correspondents in Cairo--for example, "Sharm ash-Shaykh is not important. There's no avoiding the evacuation of Israeli settlements along the Gulf of Elat."

"I'm envious of Egypt, whose journalists know how to protect Egyptian national honour," Sharon said.

When Sharon described Israel's peace plan as a good and daring one, he was interrupted by Me'ir Wilner (Democratic Front for Peace and Equality), who shouted: "It's a plan for an empire, not a peace plan."

Sharon: "It was you (communists) who incited (Arabs) to shed Jewish blood in 1929!"

Wilner: "That's a lie. You've probably shed more blood than any other Knesset member here."

This insult to an ex-general evoked shouts from various parts of the house: "Shame!" "Withdraw!" "He should be ejected from the chamber!"

Eli'ezer Avtabi (National Religious Party) said, in presenting his motion, that the prime minister had given As-Sadat too much too soon in agreeing to Egyptian sovereignty over all of Sinai.

Shelomo Hillel (Alignment) said that with the Israel-Egypt Political Committee now meeting in Jerusalem, a more unsuitable time for the airing of these motions could hardly be imagined. (A cry: "Who's forcing you to talk?")

Settlements not under Israeli sovereignty are impractical, immoral and dangerous, Hillel said. If it was the government's intention to keep the settlements under Israeli sovereignty, the Alignment would support this all the way.

Yigal Kohen (Likud-La'am) thought the timing of the discussion was just right. The strengthening of Jewish settlement in the Rafah area and in Judaea and Samaria was no tactical trick but a fundamental part of the government's peace plan, he said.

MA'ARIV: HUSAYN CONSULTING WITH WEST BANK LOYALISTS

TA171245Y Tel Aviv MA'ARIV in Hebrew 17 Jan 78 p 2 TA

[by Yosef Walter]

[Text] Jordanian King Husayn has over the last few days opened consultations with his loyalists in Judaea and Samaria in order to examine the possibility of adding notables from there to a Jordanian delegation if Amman decides to join the talks. This was reported yesterday by knowledgeable sources in Nabulus.

The day before yesterday Hikhmet al-Masri, formerly chairman of the Jordanian parliament, left for Amman. According to those close to him, he will meet with King Husayn in order to discuss events in the Middle East and examine the possibility of Jordan joining the peace talks.

Al-Masri refused to state, in his home, the objective of his visit to Jordan. According to him, his trip was to collect funds for educational objectives. He said that he would visit the Persian Gulf principalities in an attempt to collect money for the establishment of a college in Nabulus.

Hikhmet al-Masri is known as one of the loyalists of King Husayn and as a personal friend of Egyptian President Anwar as-Sadat. Because of his special status--it is claimed in Nabulus--Al-Masri has a most active role reserved for him in any move Amman makes in the future on the matter of Judaea and Samaria.

Reports from Amman over the last few days say that King Husayn is to go to Egypt very soon in order to discuss with President as-Sadat Jordan's joining his peace initiative.

EGYPT INITIALS TOURISM AGREEMENT WITH ISRAELI FIRM

TA151631Y Jerusalem Domestic Service in Hebrew 1600 GMT 15 Jan 78 TA

[Text] There is a first commercial agreement between Israel and Egypt in the field of tourism. The Egyptian airline and Egypt's Tourism Ministry have initialed an agreement with the Israeli tourism concern, Kopel Tours, to begin a joint touring plan in the two countries. Initially, the plan will be offered to U.S. soldiers stationed in West Germany. The plan will allow them to fly to Egypt in Egyptair planes, and after a week's stay in Egypt, they will fly to Nicosia and from there in El Al planes to Israel for another week's stay.

The details of the plan are being worked out, and the final agreement will be signed in Frankfurt in a week.

VISITS BY ARABS TO SOUTHERN LEBANON SUSPENDED

TA181040Y Jerusalem Domestic Service in Hebrew 1000 GMT 18 Jan 78 TA

[Text] The visits of Israeli Arabs to southern Lebanon have been suspended without any explanation having been given. This was reported by our correspondent Yo'el Dar. Because of the cessation of visits, a consignment of food for the inhabitants of the village of Al-Masha'ib, facing Hanita, was not sent. The food was bought with money contributed by the Vatican to the Maronite committee for the sufferers of the war in Lebanon.

INTENSIVE INFORMATION CAMPAIGN IN U.S. ORDERED

TA151528Y Tel Aviv MA'ARIV in Hebrew 15 Jan 78 p 4 TA

[By Philip Ben]

[Excerpt] Prime Minister Begin and Foreign Minister Dayan have directed that an extensive information campaign be launched in the United States immediately with the aim of convincing U.S. public opinion, on the eve of the political talks between Egypt and Israel, that Israel's determination to maintain the settlements in Sinai is not motivated by "stubbornness" or by "unrealistic pride" but stems from security reasons and considerations.

According to the decision by Begin and Dayan, Israel's UN ambassador, Hayyim Herzog, who will leave his post at the United Nations in the summer, will head this information campaign. Only 12 hours after his return from Israel, Ambassador Herzog appeared on U.S. television explaining that "the negotiations between Israel and Egypt are not a football match in which every moment means a new and important thing."

NABULUS MUNICIPALITY RECEIVES FUNDS FROM LIBYA

TA151524Y Jerusalem Domestic Service in Hebrew 1400 GMT 15 Jan 78 TA

[Text] Nabulus municipality has received at least $1 million from Libya for development plans and has apparently already deposited these funds in the Arab bank in Amman at Jordan's request. The municipality has also raised another $500,000 in an appeal among Palestinians from Abu Dhabi. This has been learned by our correspondent Pinhas 'Inbari from sources in Nabulus municipality.

Mayor Bassam ash-Shak'a will return to Nabulus this week, at which time accurate details of the aid that the municipality has received from Arab countries will become known.

BANGLADESH

MARUITIAN PRIME MINISTER TO ARRIVE 1 FEBRUARY

BK170758Y Dacca Domestic Service in English 0145 GMT 17 Jan 78 BK

[Text] The prime minister of Mauritius, Mr Seewoosagur Ramgoolam, will arrive in Dacca on the 1st of next month on a 4-day official visit to Bangladesh. His visit is in response to an invitation of President Ziaur Rahman. Mrs Ramgoolam will accompany the prime minister.

AWAMI LEAGUE OFFICIAL PROTEST ARREST OF MEMBERS

BK171539Y Dacca SANGBAD in Bengali 7 Jan 78 p 1 BK

[Text] Syeda Zohra Tajuddin, who convened the central organizing committee of the Bangladesh Awami League, in a statement to the press expressed her concern over the arrest of Kazi Mozammel Haq, former labor secretary of the Bangladesh Awami League, general secretary of the National Labor League and a former member of parliament, and Mahmudur Rahman Belayet, organizing secretary of the National Labor League and a former member of parliament.

She said that after suffering in jail for a long time without trial, Kazi Mozammel Haq was released from the Dacca central jail on 15 December on the order of the esteemed high court. Mahmudur Rahman Belayet was also released on the same day. She expressed her surprise at their rearrest within 19 days of their release.

Begum Tajuddin appealed for the release of all patriotic political prisoners, including Mozammel Haq and Mahmudur Rahman Belayet, and the rescission of all orders and warrants issued for the arrest of people on political grounds.

INDIA

DELHI COMMENTS ON PRIME MINISTER CALLAGHAN'S VISIT

BK121714Y Delhi General Overseas Service in English 1010 GMT 12 Jan 78 BK

[Unattributed commentary]

[Text] Although no formal communique was issued on Wednesday at the end of Mr James Callaghan's 6-day visit to India, enough has been said on both sides to provide a fairly clear idea of the discussions the British prime minister had with Mr Morarji Desai and his cabinet colleagues. The subjects covered included the controversial nonproliferation treaty, west Asia, southern Africa, the north-south dialog and the expansion of trade and economic cooperation between India and Britain.

About the problems created by the discriminatory character of the nonproliferation treaty, Mr Callaghan found it hopeful that a reconciliation of the Western and Indian points of view was possible once the so-called nuclear club, which has been holding secret discussions in London, produced some sort of agreement. India's views on the subject could not have been more clearly and forcefully enunciated than what the prime minister, Mr Morarji Desai, said: At least the nuclear powers should now be under no illusion that India might be persuaded to revise her stand as a result of any economic pressure, which might be put on her by anyone.

India is behind none in wishing to end nuclear proliferation, but the first move must be made by those powers which have built up nuclear arsenals. Britain, as a medium power, is well situated to play the role of mediator in this matter.

Mr Callaghan's visit has greatly strengthened Indo-British ties, forging a personal link of friendship between him and Mr Morarji Desai. With Britain's still considerable influence in the West and India's similar position in the developing world, the door has opened for a cooperative effort by the two countries in many directions. In bilateral matters, the visit has yielded a more visible harvest.

Britain and Inida are linked by a past from which neither can get away. The informality, warmth and good humor which so abundantly prevailed throughout the visit has to break down the barriers which have tended to grow up between the two countries, particularly during the period when Britain seemed to have been infected by the Nixonian tilt and Kissinger's policy of benign neglect of India. That chapter seems to have closed now. The more positive values of democracy, a shared parliamentary system and human dignity now seem to be the dominating factors in the relationship between the two countries. Bilateral relations have, however, not been conceived only in idealistic terms.

Mr Callaghan is a pragmatic man and Britain's economic plight is never far from its [word indistinct]. There were, thus, ample talks of trade, aid and economic matters. Mr Callaghan has been concerned for some time about Britain's adverse balance in world trade. He has been trying to reduce its gap in whatever way possible. Although in overall terms the deficit in Britain's trade with India is small, it has been worrying the British Exchequer. In urging India to import more from Britain, Mr Callaghan was conscious of India's growing potential as an industrial power and its need for sophisticated items of import. Mr Callaghan made several references to India being the 10th industrial power in the world to emphasize this point. However, the main difficulty in the way of India increasing her imports from the UK has been the higher cost of British goods and the uncertainty of their delivery schedule.

Mr Callaghan was generous in offering aid for a variety of purposes. But since such aid is tied normally to purchase of British goods even at uneconomic prices, some observers have expressed the fear that this kind of aid might in effect be a disguised subsidy for British exports. Perhaps the most spectacular offer by Mr Callaghan was of help and harnessing the water resources in the eastern region. He has been encouraged to make this offer by the recent Indo-Bangladesh agreement over Farakka. Britain, Mr Callaghan, said, will be prepared to finance studies in these directions if the countries of the region were interested in projects for utilizing the waters of the eastern rivers. Undoubtedly, such joint projects between the countries of the region would be of immense mutual benefit.

Altogether Mr Callaghan's visit was fruitful and opened up possibilities for political and economic consultation and cooperation between the two countries not only in their bilateral relations but also in the larger issues of peace and development.

FORMER GANDHI CABINET MEMBER INDICATED BY COMMISSION

BK1311155Y Delhi ISI in English 0857 GMT 13 Jan 78 BK

[Excerpt] Former minister of State for revenue and banking in Mrs Gandhi's Council of Ministers, Pranab Kumar Mukherjee, is to be tried for offences under Section 178 and 179 of the Indian Penal Code for his refusal to take the oath before the Shah Commission or to make a statement or to reply to questions asked by the commission on oath.

Justice Shah told Mukherjee January 12 that he had committed two distinct offenses--one under Section 178 and the other under 179. Offences under these sections attract 6 months simple imprisonment or a fine or both on each count.

While Section 178 provides for punishment to persons refusing to bind himself by an oath, Section 179 lays down punishment to those legally bound to state the truth on any subject to a public servant refusing to answer.

A commission official told newsmen that in view of Justice Shah's ruling today, all witnesses called in connection with the three cases relating to Mrs Gayatri Devi, Baroda Rayons and the appointment of T.B. Varadachavy as chairman of the State Bank stood discharged.

Madan Bhatia, counsel for Mukherjee, repeated the arguments advanced for Mrs Gandhi and said Mukherjee could not be examined by the commission, as his reputation was likely to be affected. Rejecting this plea, Justice Shah repeated that he was only ascertaining the facts and at present there were no charges. Mukherjee occupied the witness chair and said that he was not legally and constitutionally bound to make a statement on oath.

The commission's complaints against Mrs Gandhi and Pranab Kumar Mukherjee would be filed before an appropriate magistrate in the next two days, according to a commission official.

PAKISTAN ACCUSED OF ARMED INTRUSION IN JAMMU

BK151245Y Delhi Domestic Service in English 1230 GMT 15 Jan 78 BK

[Text] Mr Baldev Singh, member of parliament from Jammu and Kashmir, has urged the central and state governments to take effective steps to check intrusions by armed Pakistanis into the border areas in Jammu. In a statement in Jammu today, he said the victims of the intrusions should be given compensation.

GANDHI PARTY UNSURE ABOUT CONTESTING ELECTIONS

BK150928Y Delhi Domestic Service in English 0830 GMT 15 Jan 78 BK

[Text] Mrs Indira Gandhi has said that she is not sure of her party taking part in the forthcoming assembly elections. She said: We have not discussed the matter amongst ourselves or with any other party. She was addressing a press conference in Jaipore today. When asked if she would appear before the Shan Commission in response to the latest summons, Mrs Gandhi said: I do not know.

She said that the Janata Party does not have a policy; it is only drifting. But Mrs Gandhi admitted that there is no chance of her group coming to power in the next 5 years. Mrs Gandhi said that the majority of the PCC [Pradesh State Congress C[illegible]tee] offices are not in the possession of her supporters. She charged that the gov[illegible]t is helping the Congress led by Mr Brahamananda Reddy through publicity and otherw[illegible]

INDIAN-SOVIET TEXTBOOK BOARD MEETS; PROTOCOL SIGNED

BK171515Y Delhi ISI in English 0935 GMT 17 Jan 78 BK

[Text] The joint Indo-Soviet Textbook Board, which has concluded its 10th meeting in New Delhi, has taken a number of decisions to implement the joint textbook programme between the two countries. The objective of this programme is to make available Soviet books to Indian students in the priority subject fields in low-priced editions.

The board decided that pending the adoption of measures for teaching the Russian language to students and scholars in large numbers to enable them to have direct access to the vast knowledge in the USSR, the present programme of translating Soviet titles into English may be continued. The board, however, emphasised the need for the speedy and effective implementation of the joint programme.

The board decided to meet next at Moscow in April 1979.

A protocol between two sides was signed on January 16.

The Indian delegation was led by P. Sabanayagam, secretary, the Ministry of Education and Social Welfare and chairman of the joint Indo-Soviet Textbook Board. The Soviet delegation was led by Professor N.S. Egorov, deputy minister of higher and specialised secondary education, the USSR.

The board met in New Delhi on January 11 and 12. It was set up in 1975 with five members each from the Indian and Soviet sides.

ORDINANCE WITHDRAWING HIGH DENOMINATION NOTES ISSUED

BK171135Y Delhi ISI in English 0832 GMT 17 Jan 78 BK

[Text] President N. Sanjeeva Reddy promulgated on January 16 an ordinance withdrawing from circulation currency notes of the denomination of rupees 1,000, 5,000 and 10,000. These currency notes cease to be legal tender in payment or on account at any place on the expiry of the 16th day of January 1978.

The ordinance has been promulgated because there are reasons to believe that the availability of currency notes of the denomination of rupees 1,000 and above facilitates the illicit transfer of money for financing transactions which are harmful to the national economy or which are for illegal purposes.

Under this ordinance, all banks and government treasuries have been asked to send to the Reserve Bank by 3:00 pm on 17 January 1978 a return showing separately under each denomination the total value of high denominational bank notes of rupees 1,000 and above held by them at the close of business on 16 January 1978 and the distinctive numbers of these high denominational bank notes. This return is to be presented for forwarding to the Reserve Bank, to the manager of a suboffice, office or branch of the Reserve Bank at specified places or to the district magistrate or to the subdivisional magistrate or, if such manager or magistrate is not available, to the seniormost revenue or police officer available not later than 3:00 pm on 17 January 1978.

Arrangements have been made to enable banks to receive payment in exchange of currency notes of the value of rupees 1,000 and above in their possession as of the closing of business on 16 January 1978.

Persons other than banks and government treasuries holding currency notes of the denomination of rupees 1,000 and above have been asked to tender these notes for exchange at the specified offices of the Reserve Bank or the main office or branch of the state bank at the headquarters of a district or any other office of a public sector bank notified in this behalf by the Reserve Bank. Every such person shall prepare in the form set out in the schedule to the ordinance three copies of a declaration signed by him giving in full the particulars required by that form, among other things, the disclosure of source, the time and the manner of acquisition of the said high denomination bank notes and submit it along with bank notes he desires to exchange to the designated branches of the Reserve Bank, the State Bank and other designated public sector banks not later than 19 January 1978.

Every declaration so made shall, for the purpose of identifying the person making it, be attested either by his banker or by a salaried magistrate or a justice of the peace or a police officer not below the rank of an inspector of police. On proper identification, the designated banks shall pay the exchange value of the said high value bank notes for the credit of a properly introduced account of the owner, or the declarant as the case may be, with any scheduled bank.

Any person who fails to apply for exchange of the said high denomination bank notes by 19 January 1978 may tender the notes together with the required declaration to the Reserve Bank not later than 24 January 1978 together with a statement explaining the reasons for his failure to apply within the said time limit. The Reserve Bank may, if satisfied that the reasons for the failure to submit the notes for exchange by 19 January 1978 are genuine, pay the value of the notes in the prescribed manner.

Persons making false declarations are liable to punishment with imprisonment for a term which may extend to 3 years or with fine or with both.

All banks and government treasuries shall be closed on 17 January 1978 for the transaction of all business except the preparation and presentation of returns for submission to the Reserve Bank. Subject to this provision, 17 January 1978 shall, for the purposes of the Negotiable Instruments Act 1881, be deemed to be a public holiday notified under the act.

Instructions have been issued to the governor of the Reserve Bank of India and to the state governments for ensuring the immediate implementation of the ordinance.

An All-India Radio correspondent says the demonetisation, the first ever after independence, is expected to hit the black money operations for economic and other reasons. The measure is estimated to account for 1 to 2 billion rupees in circulation in the country. This is said to be less than 2 percent of the total currency in circulation.

The decision to demonetise the currency notes of 1,000 rupees and above has been generally welcomed. The leader of opposition in the Lok Sabha, Y.B.Chavan, welcoming the decision, said that it would have been more effective had the 100 rupee notes also been demonetised. Tamil Nadu Chief Minister M.G. Ramachandaran said, "what ought to have happened long ago has happened now and I am happy." The executive director of the Madras Stock Exchange, E.R. Krishnamurthy, said that demonetisation would help regulate the circulation of money and also in arresting the rising prices. He said this would not affect the stock market.

PAKISTAN

HAQ MEETS WITH ROMANIAN DEPUTY PRIME MINISTER

BK1715291 Karachi Domestic Service in Urdu 1500 GMT 17 Jan 78 BK

[Text] The deputy prime minister of Romania met with the chief martial law administrator this afternoon. They exchanged views on the current international situation and on matters concerning strengthening of bilateral relations. Earlier the Romanian delegation called on Foreign Affairs Adviser Mr Agha Shahi.

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